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MINUTES
REGULAR MEETING
/// BUDGET COMMITTEE
// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT

AUG 21 1995
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WEDNESDAY, MAY 3, 1995 - 1:00 P.M.

ROOM 410, WAR MEMORIAL BLDG.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item
 - a) File 28-95-8. [Emergency Repairs] Resolution authorizing the expenditure of funds for emergency repairs at Harry W. Tracy Water Treatment Plant. (Public Utilities Commission)
 - b) File 28-95-9. [Emergency Repair, Post Street] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Post Street between Lyon Street and Presidio Avenue. (Department of Public Works)
 - c) File 101-94-44.1. [Reserved Funds, Public Library] Consideration of release of reserved funds, Public Library, (Library Preservation Fund) in the amount of \$10,000, for the purpose of funding window washing. (Contractor: Ward's Building Maintenance, Inc.) (Public Library)

ACTION: ITEM C REMOVED FROM CONSENT CALENDAR. REMAINING ITEMS RECOMMENDED.

File 101-94-44.1. HEARING HELD. AMENDED. REDUCE RELEASE OF AMOUNT TO \$9,700. APPROVED RELEASE OF \$9,700. FILED.

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Debra Newman, representing Budget Analyst. IN SUPPORT: None. OPPOSED: None.

VOTE: 3-0.

GENERAL ITEMS

2. File 97-95-20. [In-Home Supportive Services Public Authority] Ordinance amending the Administrative Code by adding Chapter 70, consisting of Section 70.1 through 70.10, to establish a Public Authority pursuant to California Welfare and Institutions Code Section 12301.6 to provide for the delivery of in-home supportive services. (Supervisors Shelley, Bierman, Ammiano, Alioto, Teng, Kennedy, Migden, Hallinan, Hsieh, Leal, Kaufman)

SPEAKERS: ELECTED OFFICIAL: Supervisor Kevin Shelley, President of the Board. DEPARTMENTAL REPRESENTATIVES: Brian Cahill, General Manager, Department of Social Services; Debra Newman, representing Budget Analyst; Virginia Elizondo, Deputy City Attorney; Julie Marie, Department of Social Services; Anthony Nicco, Department of Social Services; Ed Harrington, Controller. IN SUPPORT: Donna Calame, Consultant IHSS Public Authority Project; Marie Jobling, IHSS Task Force; Dr. Harry Weinstein; Ethel Richardson, Homecare Worker; Commissioner Jane Morrison, Social Services Commission; Mike Smith, IHSS Consumer; Margaret Baran, Exec. Dir. IHSS Consortium; Peggy Coster, Homecare Consumer; Myra Howard, IHSS Worker; Karen Young Simmons, IHSS Consumer; Karen Sherr, SEIU, Local 250; Michael Kwok, IHSS Consumer; Vera Haile, Chairperson, IHSS Task Force; Bruce Allison, IHSS Worker; Laine Roberts, IHSS Consumer; Lucy Dean. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED BY SUPERVISOR SHELLEY. AMENDMENT OF THE WHOLE ADOPTED. AMENDED. AMENDMENT OF THE WHOLE AS AMENDED RECOMMENDED. In Section 70.4 (c) add the following: "Any contract, grant or agreement between the Department of Social Services and the Authority shall be subject to the approval of the Board of Supervisors." (Supervisor Kaufman requested to be added as a co-sponsor.)

VOTE: 3-0.

3. File 97-95-22. [Fees, Medical Examiner-Coroner] Ordinance amending the San Francisco Administrative Code by amending Section 8.14, authorizing the Medical Examiner-Coroner to charge fees for certain services. (Chief Medical Examiner-Coroner)

Deleting - Search of Records	\$ 7.50
Added - Storage of remains following completion of investigation of notification of family or funeral director of completed investigation, Medical Examiner-Coroner's cases, per day	\$ 25.00
Added - Supporting documentation for results of forensic alcohol report	\$ 6.00/pg.

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst, Dr. Boyd Stephens, Medical Examiner-Coroner.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

4. File 170-95-4.1. [Sewer Revenue Bonds, Series 1995] Resolution authorizing and directing the sale of not to exceed \$62,500,000 aggregate initial principal amount of one or more subseries of City and County of San Francisco Sewer Revenue Bonds, Series 1995; approving the forms of the Notice of Sale and the Notice of Intention to Sell relating thereto; authorizing the publication of the Notice of Intention to Sell; approving the form of the Official Statement; approving the forms of the Bond Reserve Fund Surety Policies; consenting to submission of bid by financial advisor; and authorizing official action. (Chief Administrative Officer) (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Tom Owen, Deputy City Attorney; Laura Wagner-Lockwood, Chief Administrative Office. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

5. File 170-95-4. [Sewer Revenue Bonds, Series 1995] Resolution providing for the issuance of not to exceed \$62,500,000 aggregate Initial Principal amount of City and County of San Francisco Sewer Revenue Bonds, Series 1995 (supplemental to Resolution No. 656-92, adopted August 3, 1992, and Resolution No. 58-94, adopted January 24, 1994), authorizing execution of Sales Certificate and amending certain provisions of Resolution No. 656-92 in connection therewith. (Chief Administrative Officer) COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Tom Owen, Deputy City Attorney; Laura Wagner-Lockwood, Chief Administrative Office. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
On Page 6, subsection (b) after entity). insert a sentence to read: "All cost of issuance shall be subject to appropriation by the Board of Supervisors before payment may be made hereunder." Replace "90" with "180". In subsection (c) after "Requisition of the City" add "together with a copy of the applicable appropriation ordinance of the Board of Supervisors,".

VOTE: 3-0.

6. File 101-94-85. Ordinance appropriating and rescinding \$138,564, from salaries and fringe benefits to allow Trial Courts to create three (3) positions for the fiscal year 1994-95. (Budget Committee) (COMPANION TO THE FOLLOWING FILE)

(Consideration Continued from 4/26/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst; Alan Carlson, Administrator, Superior Court; Kate Harrison, Fiscal Officer, Superior Court; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
Reduce appropriation to \$3,100 and delete 0676 Research Assistant and one (1) 0697 Judicial Clerk. AMENDED TITLE: "Ordinance appropriating and rescinding \$3,100, from salaries and fringe benefits to allow Trial Courts to create one (1) position for the fiscal year 1994-95.

VOTE: 3-0.

7. File 102-94-14. [Public Employment, Superior Court] Ordinance amending Ordinance No. 293-94 (Annual Salary Ordinance 1994/95), Superior Court, reflecting the addition of three (3) positions (classification 0676 Research Assistant (1), 0697 Judicial Clerk (2)). (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

(Consideration Continued from 4/26/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst; Alan Carlson, Administrator, Superior Court; Kate Harrison, Fiscal Officer, Superior Court; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Delete 0676 Research Assistant and one (1) 0697 Judicial Clerk. AMENDED TITLE: "Ordinance amending Ordinance No. 293-94 (Annual Salary Ordinance 1994/95), Superior Court, reflecting the addition of one (1) position (classification 0697 Judicial Clerk).

VOTE: 3-0.

8. File 118-94-3. [Hazardous Materials] Ordinance amending Part II, Chapter 5 (Health Code), Article 21 of the San Francisco Municipal Code, by amending Sections 1114, 1115, 1161 and 1176 to exempt specified categories of medical practitioners from registration renewal, and to make technical changes concerning inspection forms and certain fees. (Supervisors Alioto, Hsieh, Kaufman and Bierman)

(REFERRED FROM HEALTH, PUBLIC SAFETY AND ENVIRONMENT COMMITTEE MEETING OF APRIL 25, 1995, DUE TO FISCAL IMPACT.)

ACTION: HEARING HELD. RECOMMENDED. (Supervisors Hsieh, Kaufman and Bierman requested to be added as co-sponsors.)

VOTE: 3-0.

9. File 101-94-95. [Appropriation – Police Department] Resolution urging the Mayor to urge the Police Commission to submit a supplemental appropriation to provide the Bomb Squad of the Police Department with a new Bomb-Disarming Robot, five (5) protective gear (bomb suits) for members of the Bomb Squad, and four (4) Starlight Scopes. (Supervisors Kaufman, Teng, Shelley, Hsieh, Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Captain Minasiani, Police Department; Teresa Serata, Budget Director, Office of the Mayor; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend the "Resolved" clause to read: "Resolved, The Board of Supervisors urges the Mayor to urge the Police Commission to urge the Police Chief to effect a surplus fund transfer to provide for the purchase of a new bomb-disarming robot, two protective gear (bomb suits) for members of the Bomb Squad team, and upgrade of the department's existing bomb suit." AMENDED
TITLE: "Urging the Mayor to urge the Police Commission to urge the Chief of Police to effect a surplus fund transfer to provide the Bomb Squad of the Police Department with a new Bomb-Disarming Robot, two Protective Gear (Bomb Suits) for members of the Bomb Squad, and upgrade of the Department's existing Bomb-Suit." (Supervisors Hsieh and Bierman requested to be added as co-sponsors.)

VOTE: 3-0.

TIME MEETING: 4:42 P.M.

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

April 28, 1995

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: May 3, 1995 Budget Committee Meeting

BUSINESS-SCIENCE
DOCUMENTS DEPT.

MAY 2 1995

SAN FRANCISCO
PUBLIC LIBRARYItem 1a - File 28-95-8

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing the expenditure of funds for emergency repairs at the Harry W. Tracy Water Treatment Plant.

Amount: \$100,000

Source of Funds: Water Department's Capital Improvement Program

Description: On March 9, 1995, there was a power outage in the transmission lines serving the Harry W. Tracy Water Treatment Plant. While PG&E was restoring the power, a very high voltage surge occurred which caused the surge protection equipment in the power supply room at the Plant to explode. Although the surge equipment protected the Plant's electrical equipment from damage by stopping the power supply, the surge protection equipment is also the mechanism to restore the power supply. As such, without the surge protection equipment, the Plant became inoperable because there was no method to restore the power supply to the Plant.

In accordance with provisions of Section 6.30 of the Administrative Code, the PUC initiated an expedited contracting procedure for (1) temporary emergency repairs to restore power, (2) an investigation into the cause of the power outage and power surge, and (3) permanent repairs based on the results of the investigation. The PUC selected General Electric, for the amount not to exceed \$100,000. The PUC advises that neither General Electric, nor General Electric's subcontractor, is a MBE or a WBE firm.

The PUC advises that the temporary emergency repair work at the Harry W. Tracy Water Treatment Plant began on March 12, 1995. The investigation, and the permanent repair work are estimated to be completed by May 30, 1995.

Comment: The Attachment provided by Mr. Richard Brandt of the PUC shows the budget details for the emergency repairs, the investigation, and the permanent repairs.

Recommendation: Approve the proposed resolution.

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

FRANK M. JORDAN, MAYOR

ANSON B. MORAN, GENERAL MANAGER

UTILITIES ENGINEERING BUREAU
RICHARD E. BRANDT, MANAGER

Attachment



WATER DEPARTMENT

HETCH HETCHY
WATER AND POWER

MORTON MILLER
RESIDENT
DENNIS NORMANDY
VICE PRESIDENT
ARION E. OTSEA
ASIN SALMA
ROBERT K. WERBE

Engineering and Construction by General Electric

1. Invoices received to date:

A.	General Electric Labor	\$19,530.00
B.	Subcontractor (STT & Pajaro Electric) Labor	26,735.00
C.	Electrical Materials/Equipment	7,952.00
	Shipping for Item 1.C	99.00
	Sales Tax (8.5%), Item 1.C	675.94
	Subtotal	54,992.18

2. General Electric Estimate for Remaining Work:

A.	General Electric Labor	\$13,990.00
B.	Subcontractor Labor	23,320.00
C.	Electrical Material (6 kV Surge Arresters and new busbars)	7,003.00
	Shipping for Item 2.C	100.00
	Sales Tax (8.5%) Item 2.C	595.00
	Subtotal	45,007.00
	TOTAL (Not To Exceed)	\$100,000.00

Item 1b - File 28-95-9

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer at Post Street between Lyon Street and Presidio Avenue.

Amount: \$111,910

Source of Funds: Sewer Service Charge, Repair and Replacement Fund

Description: The DPW reports that on November 8, 1994 the Bureau of Street and Sewer Repair (BSSR) requested an emergency contract to repair a collapsed sewer at Post Street between Lyon Street and Presidio Avenue.

In accordance with Section 6.3 of the Administrative Code, the DPW implemented an expedited contracting procedure and requested award of the contract to the lowest bidder, Harty Pipelines based on a bid amount of \$99,355. However, the DPW reports that Harty Pipelines failed to satisfy subcontracting goals set by the Human Rights Commission (HRC) and the contract was therefore awarded to the second lowest bidder, P & M Pipelines. P & M Pipelines, an LBE firm, submitted a bid of \$111,910, or \$12,555 more than the bid by Harty Pipelines of \$99,355. The DPW advises that construction on the sewer is expected to begin by May 21, 1995 and estimates the total time necessary for the completion of the sewer repair at 35 days. According to Mr. P. T. Law of the DPW, temporary repairs to stabilize the sewer have already been made, using previously appropriated funds.

Comments:

1. Mr. Law advises that more than 30 emergency sewer repair contracts have been requested thus far in FY 1994-95, resulting in up to six-month delays before construction. Mr. Law further advises that an average of six emergency contracts are requested during a normal fiscal year, with delays before construction averaging two to three months.
2. Mr. Law reports that funds previously appropriated to the DPW's Sewer Repair and Replacement fund in the FY 1994-95 budget would be used to pay for these repairs.

Recommendation: Approve the proposed resolution.

Item 1c - File 101-94-44.1

Department: Public Library

Item: Release of reserved funds, (Library Preservation Fund), in the amount of \$10,000 for the purpose of funding window washing.

Amount: \$10,000

Source of Funds: Library Preservation Fund

Description: In January of 1995, the Board of Supervisors placed \$10,000 on reserve to be used for window washing services for the Public Library and the 26 Public Library Branches, pending the selection of a contractor, the MBE/WBE status of the contractor and budget details (File 101-94-44).

Mr. Richard Walsh of the Public Library advises that in January of 1995, the Public Library solicited two firms, recommended by the Purchasing Department, for window cleaning services. Mr. Walsh advises that the Public Library selected Ward's Building Maintenance, Inc. (WBM), as the only firm to submit a proposal in response to the Public Library's solicitation. Mr. Walsh advises that WBM would provide the proposed window cleaning services for the period beginning approximately May 8, 1995 through approximately May 26, 1995. WBM is a MBE/LBE firm.

As specified in the contract, WBM will (1) clean all windows, skylights and interior glass partitions, both inside and outside of the 30 Public Library branches, (2) clean all interior and exterior windows located at 45 Hyde Street, the annex building for the Main Library, and (3) clean the interior and exterior of all ground level windows located at the Main Library located at 200 Larkin Street for a total cost of \$9,700.

- Comments:**
1. Mr. Walsh advises that the windows for the Public Library branches have not been cleaned in five years, and the windows for 45 Hyde Street have not been cleaned in nine years. Mr. Walsh advises that WBM will only clean the ground level windows of the Main Library, since the Main Library will soon be relocating.
 2. As noted above, the contract cost for WBM is \$9,700. As such, the proposed legislation should be amended to reduce

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
May 3, 1995

the proposed release of reserved funds from \$10,000 to \$9,700, a reduction of \$300.

- Recommendations:**
1. As noted in Comment 2 above, the proposed release of reserved funds, in the amount of \$10,000, should be amended to \$9,700 to reflect a decrease of \$300.
 2. Approve the proposed release of reserved funds as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 2 - File 97-95-20

Item: Ordinance amending the San Francisco Administrative Code by adding Chapter 70, consisting of Sections 70.1 through 70.10, to establish a public authority pursuant to California Welfare and Institutions Code Section 12301.6 to provide for the delivery of in-home supportive services.

Description: The proposed ordinance would establish a new entity, the In-Home Supportive Services Public Authority (IHSS Authority) which would perform certain functions with respect to the In-Home Supportive Services Program (IHSS). IHSS is an entitlement program, with some funding restrictions, which provides funding for low income seniors and disabled people to receive non-medical personal care and other household help in their homes from visiting workers. IHSS care can allow seniors and disabled people to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization.

IHSS serves approximately 7,500 low-income clients in the City. Approximately 71 percent of IHSS clients are eligible for Federal funding through the Medicaid Personal Care Services Program (PCSP). Services for these IHSS clients are funded through Federal Medicaid funds (50 percent), State funds (32.5 percent), and local matching City funds (17.5 percent). For the remaining 29 percent of IHSS clients who are not eligible for Federal PCSP funds, IHSS services are funded through State funds (50 percent), and City funds (50 percent). The Federal government, therefore, matches 50 percent of 71 percent of the overall cost of services for IHSS clients in the City.

Administrative costs of the program for the 71 percent of IHSS clients who are PCSP-eligible are shared by the Federal government (35.5 percent), the State (35 percent) and the City (29.5 percent). Administrative costs for the remaining 29 percent of non-PCSP clients are shared by the State (50 percent) and the City (50 percent). The Federal government, therefore, matches 35.5 percent of 71 percent of the overall cost of administration for IHSS clients in the City.

In FY 1994-95, \$10,102,984 was budgeted for IHSS services from the City's General Fund through the Department of Social Services (DSS) budget. DSS reports that there have been significant savings in the IHSS program this year, and projects that approximately \$8.8 million of the planned

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BUDGET ANALYST

amount for services will be spent, or approximately \$1.3 million less than the amount budgeted.

Currently, DSS is responsible for administration of IHSS. However, the wages, hours and other working conditions of IHSS workers are set in part by State law. IHSS workers function either as independent providers (88 percent of paid IHSS hours), or through a contract between DSS and one of two private providers, National Homecare Services (10 percent of paid IHSS hours) or IHSS Consortium (2 percent of paid IHSS hours). Independent providers are paid the minimum wage of \$4.25 per hour, National Homecare Services is paid \$12.28 per hour, (with workers receiving approximately half that amount, \$6.14, in wages), and the IHSS Consortium is paid \$11.99 per hour, (with workers receiving approximately \$5.25 in wages). IHSS workers who are independent providers are considered contract employees of the clients they serve and do not have sick leave, vacation or other benefits. IHSS workers under the National Homecare Services contract have sick leave, health insurance, vacation, and retirement benefits as negotiated through collective bargaining. The IHSS Consortium also has sick leave, health insurance, vacation, and other benefits, however these workers are not represented by a bargaining unit at this time.

IHSS clients may be placed with service providers from any of the three options listed above, but hours of service under the National Homecare Services and IHSS Consortium contracts are limited and are not always available to every client. Clients using IHSS services under National Homecare and the IHSS Consortium generally do so because they are less able to hire, supervise, and schedule their IHSS workers, according to Ms. Julie Murray of DSS. National Homecare and the IHSS Consortium hire, supervise, and schedule workers on behalf of these clients.

According to DSS, the Commission on the Aging, and advocates for elders and the disabled, the varied funding sources, supervisory arrangements, low pay, and other factors in the IHSS program have created a situation which is confusing for IHSS workers and clients. Advocates report that there is little or no screening of independent providers, inadequate training, high turnover, difficulty in resolving administrative issues, and no clear source where either workers or individuals eligible for IHSS care can turn to for referrals or information.

In 1993, in order to help resolve some of these issues, the State passed legislation authorizing counties to create public authorities to improve IHSS service delivery. In the Bay Area, both San Mateo and Alameda County have recently passed legislation to create IHSS public authorities to manage IHSS services. The proposed ordinance would create such an authority for San Francisco.

The IHSS Authority would;

- a) Serve as the "employer of record" for IHSS workers for the purposes of collective bargaining and establishing wages, benefits and working conditions;
- b) Establish a Central Registry which would assist IHSS clients by providing an orientation to the program, screening IHSS workers, and listing information about workers, including their qualifications, language skills, and availability. The Central Registry would also assist IHSS workers by providing information about job availability, and helping IHSS workers to piece together full time employment from disparate job sites. IHSS clients would also retain the right to hire workers independent of the IHSS Authority's Central Registry, and use of the Registry by IHSS workers would be voluntary.
- c) Through the Central Registry, provide training, advocacy, and other support services to IHSS workers and clients.

Under the proposed legislation, the IHSS Authority is the employer of IHSS workers for the purposes of collective bargaining. The State is the employer for the purposes of taxes, payroll, unemployment insurance, and worker's compensation. The individual recipient of IHSS services is the employer for the purposes of hiring, firing, and directing work.

The IHSS Authority will be separate and distinct from the City and from the City's Department of Social Services, with its own governing body, financial arrangements, and insurance. The IHSS Authority would not be subject to control by the Mayor, Board of Supervisors, or other City officials over issues such as its budget, policies, or day-to-day operations. The City is not liable for the debts or other obligations of the IHSS Authority, and employees of the Authority will not be employees of the City (See Comments 10 and 11 below).

Creation of the IHSS Authority does not affect the powers of the City's Social Services Commission, Mayor, or Board of Supervisors to review and authorize the activities of the Department of Social Services.

At this time, State regulations do not provide for funding to be transferred directly from State and Federal sources to the IHSS Authority. Therefore, under the proposed ordinance, in order to pay the operating costs of the IHSS Authority, the Department of Social Services will claim State and Federal funds in the IHSS program, combine those funds with City General Fund matching funds, and transfer funds to the Authority by contract or grant. According to Ms. Virginia Elizondo of the City Attorney's Office, the State will promulgate regulations formalizing this funding mechanism by the summer of 1995.

The IHSS Authority would have an 11-member Board, appointed by the Board of Supervisors. The Board of Supervisors is required to make its initial appointments of the seven consumer and worker members of the IHSS Board from a list of individuals recommended by the IHSS Task Force of Planning for Elders in the Central City. The IHSS Task Force of Planning for Elders in the Central City is a coalition of public agencies, senior and other consumer groups, labor union representatives, workers, and others interested in improving IHSS services. Appointments to the IHSS Authority Board must be made according to the following qualifications;

- Two consumers of IHSS or other "personal assistance services," who are 60 or more years of age and represent organizations advocating for older people with disabilities;
- Two consumers of IHSS or other "personal assistance services," who are between 18 and 60 years of age and represent organizations advocating for younger people with disabilities ;
- One at-large consumer of IHSS or other "personal assistance services," 60 or more years of age;
- One at-large consumer of IHSS or other "personal assistance services," between 18 and 60 years of age;
- One worker who provides "personal assistance services";
- One Social Services Commissioner, recommended to the Board of Supervisors by the Social Services Commission;

BOARD OF SUPERVISORS
BUDGET ANALYST

- One Health Commissioner, recommended to the Board of Supervisors by the Health Commission;
- One Commission on the Aging member, recommended to the Board of Supervisors by the Commission on the Aging;
- One member of the Mayor's Disability Council, recommended to the Board of Supervisors by the Mayor.

The governing body members will serve three year terms, except for the initial group of such members, who will draw lots designating 3 such members who will serve one year terms and 4 who will serve two year terms. No members will receive compensation for their service.

Comments:

1. San Francisco received a one-time grant of \$250,000 from the State in FY 1994-95 to study the feasibility of establishing an IHSS Authority for the City, and to begin implementation of the Authority. To date, \$50,000 of these funds have been spent through a consultant contract between the City's Commission on the Aging and Planning for Elders in the Central City, (PECC) a non-profit organization. The remaining \$200,000 is proposed to be used to fund a portion of the start-up costs for the IHSS Authority (See Comment 4 below).

2. Planning for Elders in the Central City has also received \$25,000 in CDBG funds from the Mayor's Office of Community Development in FY 1994-95 to fund program design and development of a computer system for the IHSS Central Registry. Planning for Elders in the Central City currently has this project out for bid.

3. As the IHSS program is currently set up, both wage costs and administrative costs of the IHSS program are usually partially funded by both the State and Federal governments according to certain conditions as described above. No cuts have been proposed in this program by the State, however, it is not yet known whether or not the State will pay its usual share of wages and administrative costs for the IHSS program under the IHSS Public Authority. At this time, the State has not yet approved funding for an increase in wages for IHSS workers in FY 1995-96, and has capped the City's administrative allocation for IHSS. If sufficient funds for IHSS are not appropriated in future years, the State may not participate in paying wage increases proposed for IHSS workers, and may not participate in paying a full 35 percent of the IHSS Authority's operating costs in future years. The

Federal government is expected to continue to pay wages of IHSS workers for clients eligible for PCSP Medicaid funds at the same rate as in past years, however, it is not clear at this time whether or not the Federal government will continue to share the costs of IHSS administration under the IHSS Authority at the same rate as in past years.

4. Ms. Donna Calame, the consultant for the IHSS Public Authority project under PECC, projects that the IHSS Authority that would be established by the proposed ordinance would incur start-up capital and operating costs for salaries, rent, and equipment, of approximately \$460,000 in each of the next two fiscal years. Because of the uncertainty regarding how much of the costs of the IHSS Authority will be shared by the State and Federal governments, the City's share of costs as proposed by DSS in these first two fiscal years is somewhat higher than the City's normal share of such costs for IHSS administration in past years. For FY 1995-96, the DSS has requested \$250,000 in its General Fund budget, which is proposed to be combined with \$87,500 in Federal funds, plus \$122,000 of the remaining State grant funds mentioned above, to provide the first year's funding for the Authority of \$459,500. For FY 1996-97, the DSS would request approximately \$257,500 in its General Fund budget, which is proposed to be combined with approximately \$90,125 in Federal funds, plus the remaining \$78,000 in State grant funds. A specific funding source for the remaining \$34,275 to provide balance of the second year's funding for the Authority of \$459,900 has not yet been identified, however, additional State or Federal funds might become available for this purpose, according to Ms. Calame.

5. If no Federal matching funds become available for start-up costs of the IHSS Authority in the next two years, the City's potential cost could be as much as \$337,500 (\$250,000 plus \$87,500) in FY 1995-96 and \$347,625 (\$257,500 plus \$90,125) in FY 1996-97, or a total of \$685,125 for the two years. If the State and Federal government continue to pay approximately the same portion of IHSS administrative costs which they have paid in the past, as advocates of the IHSS Authority proposal expect, the City's cost for FY 1995-96 would be approximately \$162,700, (not \$250,000) and for FY 1996-97, \$162,800, (not \$257,500) based on approximately 35.4 percent (combining costs of both PCSP and non-PCSP client caseloads) of the projected operating costs of the IHSS Authority in those two fiscal years.

6. After the first two fiscal years, costs for start-up of the IHSS Authority will end. According to Ms. Calame, ongoing operating costs for the IHSS Authority, including the Central Registry service, are expected to be approximately \$394,000 annually beginning in 1997-98. As described above, administrative costs in the IHSS program are usually paid 35.5 percent by the Federal government, 35 percent by the State government, and 29.5 percent by the City for most of the client caseload. However, according to DSS, the Department does not expect that the State will participate in sharing the increased administrative costs of the IHSS Authority, and it is unclear whether or not the Federal government will participate; either or both of which would increase the City's costs. As such, approval of the proposed ordinance potentially creates a new, ongoing cost to the City's General Fund beginning in FY 1997-98 of as much as \$394,000 per year for the IHSS Authority's operating costs. If the State and Federal governments do share this cost, as advocates for the IHSS Authority proposal expect, the City's cost could decrease to as low as \$140,000 annually (35.4 percent of \$394,000).

7. In 1994-95, the City's share of the wage costs to pay IHSS workers in San Francisco was 17.5 percent for PCSP clients, and 50 percent for non-PCSP clients. The DSS has requested \$8,940,043 in FY 1995-96 to pay IHSS wages, a decrease of \$1,162,941 from FY 1994-95. This amount includes an updated estimate of the actual costs of the program, and an increase of \$1.3 million, in order to be able to increase the wages of all IHSS workers. These funds are drawn from the City's General Fund. The State must approve a new wage rate before either the State or Federal governments will participate in a wage increase. If a higher wage is approved, the State has not indicated that it will participate in the wage increase, however, according to the currently approved State plan for the IHSS program, the Federal government will provide matching funds for the PCSP portion of the caseload (71 percent). If there are no Federal or State matching funds, the \$1.3 million in City funds translates into a 22¢ per hour increase for all IHSS workers in FY 1995-96. If there is a Federal match, the increase would be 34¢ per hour.

8. As noted above, wages for IHSS workers are partially paid by the State and Federal governments according to eligibility requirements. However, the State has not indicated that it will participate in a wage increase for IHSS workers, and the Federal government only pays wages for approximately 71 percent of the City's IHSS caseload. Taken together, these

Memo to Budget Committee
May 3, 1995 Budget Committee Meeting

two factors make it likely that the City will be responsible for paying an increasing percentage of future wages for IHSS workers. As such, approval of the proposed ordinance potentially creates a new, ongoing cost of an indeterminate amount to the City's General Fund for payment of wages to IHSS workers. It should be noted that the cost to the City of wages for IHSS workers could rise in this manner in future years whether or not the IHSS Authority is created.

9. Under the proposed legislation, the IHSS Authority would have the authority to set wage rates for IHSS workers. Wage rates set by the Authority must also be approved by the State. Wage rates by the IHSS Authority would not be subject to review by the Mayor or Board of Supervisors. While the IHSS Authority would have no direct power to obligate City funds, this wage setting power means that the IHSS Authority could increase the amount of funds needed from the City's General Fund to pay IHSS workers. However, the City is not obligated to pay increased wages for IHSS workers, and limits on City appropriations of these funds would have to be factored into any collective bargaining process conducted between the IHSS Authority and the workers.

10. The City Attorney's Office has advised that although the legislation has been drafted so that the IHSS Authority is not the employer of IHSS workers for the purposes of worker supervision, and would therefore not be liable for possible negligence of such workers, it is possible that the IHSS Authority could be named in litigation resulting from the operation of the Central Registry of IHSS workers. Unless and until such cases were decided in court, the City Attorney cannot guarantee that the IHSS Authority would be protected from liability.

11. The City Attorney's Office has advised that although every effort has been made in drafting this legislation, and the State statute, to protect the City against liability for the IHSS Authority's debts and activities, it is possible that the City could be named in litigation resulting from actions of the IHSS Authority. Unless and until such cases were decided in court, the City Attorney cannot guarantee that the City would be protected from liability.

12. In summary, the IHSS Public Authority which would be created by the proposed ordinance would serve as the employer of IHSS workers for the purposes of collective bargaining, and would work to improve conditions for IHSS workers and clients by operating a Central Registry, and by

training and screening IHSS workers. The IHSS Authority will be legally separate and distinct from the City, and will receive funds from the City through a contract or grant relationship. The IHSS Authority's operating costs will be approximately \$460,000 annually for the first two years, and \$394,000 in the following years. If the State and Federal governments participate in financing the IHSS Authority's costs at the same rate as other administrative costs of IHSS, the City's share of the ongoing cost of the IHSS Authority could be as low as \$140,000 annually. However, if State and Federal participation does not continue at the same rate, the City's share of costs would be higher. The City currently pays approximately \$9 million for its share of the cost of IHSS services, and, depending on future State and Federal participation in paying for IHSS services, the amount of funds needed from the City for IHSS services in the future could increase. The amount of funds to be appropriated from the City's General Fund for IHSS services would continue to be subject to review and approval by City officials.

Recommendation: Approval of the proposed ordinance, which would create a separate legal entity, known as the In-Home Supportive Services Public Authority, to be the employer of record for IHSS workers in the City and to operate a Central Registry of IHSS workers, is a policy matter for the Board of Supervisors.

Item 3 - File 97-95-22

Department: Department of the Medical Examiner-Coroner (Medical Examiner)

Item: Ordinance amending the San Francisco Administrative Code by amending Section 8.14 to authorize the Chief Medical Examiner-Coroner to adjust fees for certain services.

Description: Currently, the Department of the Medical Examiner-Coroner (Medical Examiner) charges a fee for the searching of records of deceased persons but does not presently charge a fee for the preparation of reports on forensic alcohol analysis performed on living persons. Forensic alcohol analysis details the level of alcohol or illicit substances present in a person and is commonly requested by attorneys in Driving Under the Influence (DUI) cases. Further, the Chief Medical Examiner-Coroner does not presently charge a fee to responsible parties (primarily funeral directors) for the storage of the remains of the deceased prior to cremation and burial.

The proposed ordinance would (1) delete the current \$7.50 fee charged for searching the records of the deceased, (2) add a \$6.00 per page fee for the preparation of forensic alcohol reports, and (3) add a \$25.00 per day fee for the storage of remains .

Comments: 1. According to Mr. Herb Hawley of the Department of the Medical Examiner-Coroner, the City Attorney's Office has informed the Department that its current charge of \$7.50 for the searching of records of the deceased is in violation of the City's Sunshine Ordinance, Section 67.1 of the Municipal Code, which prohibits fees for the searching of records, and therefore must be discontinued. Mr. Hawley notes that a separate fee of \$7.50 per one to two page report, equal to that of other Bay Area counties, is presently charged for the copying of such records, and that this latter fee does not violate the Sunshine Ordinance.

2. The proposed new fee of \$6.00 per page for the preparation of forensic alcohol reports would be imposed in order to recover costs in accordance with the attached cost schedule provided by Mr. Hawley. Mr. Hawley notes that the fee for a forensic alcohol report would not be charged to those attorneys with court subpoenas, which represent an estimated 50 percent of all such requests.

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3. Mr. Hawley advises that an increase in cremation has lessened the need for pre-funeral preparations of the deceased by funeral directors, increasing the length of time the deceased are left in the County's storage facility and resulting in storage capacity problems. Mr. Hawley advises that the purpose of the proposed new storage fee of \$25.00 per day is to encourage responsible parties to take possession of the deceased sooner, in order to alleviate storage capacity problems. According to Mr. Hawley, area funeral directors would be informed, by written notice, of the proposed fee, which would be charged to them only after notification of the survivors of the deceased and the completion of an investigation by the Chief Medical Examiner-Coroner.

4. The estimated increase in annual revenues from this proposed legislation is as follows:

<u>Service</u>	<u>Amount of Current Fee</u>	<u>Amount of Proposed Fee</u>	<u>Estimated Annual Units</u>	<u>Increase (Decrease) in Annual Revenues</u>
Search of Records of Deceased Persons	\$7.50	-0-	20 requests	(\$ 150.00)
Preparation of Forensic Alcohol Analysis Reports	-0-	\$6.00/page	300 pages	1,800.00
Storage of Remains of Deceased Persons Prior to Burial or Cremation	-0-	\$25.00/day	200 days	<u>5,000.00</u>
Total Estimated Increase in Annual Revenues				\$6,650.00

5. Any increased revenues would be deposited to the Chief Medical Examiner-Coroner's Revenue Account, offsetting the Department's General Fund budgeted expenses.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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April 18, 1995

Mr. Jerome Sayre
Budget Analyst
Board of Supervisors
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Mr. Sayre:

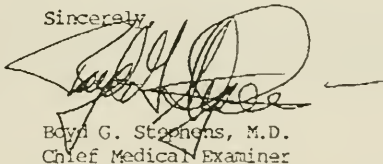
Preparation of a forensic alcohol report requires time to (1) gather and reduce data from information rolls, (2) redact names and other identifying information of adjacent samples, and (3) access and copy Police Department records. This work can only be done by an Assistant Forensic Toxicologist and requires a minimum of two hours. The total report is approximately 10 pages.

The \$6 per page charge was estimated as follows:

<u>Minimum</u> <u>Preparation</u> <u>Time</u>	<u>Asst. Forensic</u> <u>Toxicologist -</u> <u>Hourly Wage</u>	<u>Total</u> <u>Labor Cost</u>	<u>Copying</u> <u>Cost</u>	<u>Total</u> <u>Report Cost</u>
2 hours	x \$28.83/hour	= \$57.67	+ \$1.10(10 pages = \$58.77 @ .11/page)	
Minimum cost per page (\$58.77/10 pages)			\$5.88	
Proposed cost per page			\$6.00	

Based on our study of the time and materials involved, I believe a reasonable cost for this work would be \$6 per page.

Sincerely,



Boyd G. Stephens, M.D.
Chief Medical Examiner

BGS:sk/5266C

later than October 1, 2025. Interest would be paid semiannually on April 1 and October 1 of each year.

- Establish (1) an Interest Fund to receive all accrued interest on the sale of Series 1995 Bonds; (2) a Bond Reserve Fund to assume debt service payments in the event that the City is unable to cover debt service (the Bond Reserve Fund can consist of legal investments, a Bond Reserve Surety Policy or a Letter of Credit); (3) a Construction Fund to pay construction and other project costs; (4) a Series 1995 Sinking Fund, which would pay off bonds as they mature; and (5) an Expense Account to pay for all costs incidental to the issuance of Series 1995 Bonds.
- Authorize the Chief Administrative Officer (CAO) to execute a Bond Reserve Surety Policy with respect to the Series 1995 Bonds. A Bond Reserve Surety Policy is an insurance policy under which the insurer assumes debt service payments for the City if the City is unable to cover debt service. The Bond Reserve Surety Policy is one of the alternatives that can be used by the City to fund the previously-cited Bond Reserve Fund.
- Approve forms of official notice relating to the sale of these bonds and direct the publication of such notice. The sale is scheduled to be held on or about June 6, 1995.
- Approve the purchase contract form.
- Approve the official statement relating to these bonds. Copies of the official statement containing the specifics of the bond sale would be available to all bidders.
- Consent to the submission of bids by the financial consultants and authorize official action. Bonds would be awarded to the bidder whose bid represents the lowest interest cost to the City.
- Grant general authority to City officers to take necessary actions in connection with the authorization, issuance, sale and delivery of Series 1995 Bonds as well as authorize reimbursement of expenditures.

The principal and interest on the proposed Series 1995 General Purpose Sewer Revenue Bonds are payable solely from the net revenues (revenues received through Sewer Service Charges and interest earnings thereon, less operating costs) of the Clean Water Program. The General Fund of the

City is not liable and the credit or taxing power of the City is not pledged for the payment of the proposed Series 1995 Sewer Revenue Bonds or their interest.

The Board of Supervisors adopted Resolution No. 656-92 on August 3, 1992. Resolution No. 656-92 provides that the process of issuing any further Sewer Revenue Bond series is to be accomplished as a supplemental resolution to Resolution No. 656-92. Subsequently, on January 24, 1994, the Board of Supervisors adopted Resolution No. 58-94, which provided for the issuance and sale of \$190,000,000 in Series 1994 General Purpose Sewer Revenue Refunding Bonds¹. Resolution No. 58-94 was approved as a supplemental resolution to Resolution No. 656-92. The proposed resolution (File 170-95-4) would be approved as a supplemental resolution to both Resolution No. 656-92 and Resolution No. 58-94, in accordance with the provisions of Resolution No. 656-92.

In addition, the proposed resolution (File 170-95-4) would amend Resolution No. 656-92 to add new definitions and to clarify certain existing provisions.

Comments:

1. Ms. Laura Wagner-Lockwood of the CAO's Office states that the cost of issuing the Series 1995 Sewer Revenue Bonds, including fees for private bond counsel and financial advisors and the services of the CAO and the City Attorney, is expected to be approximately \$315,000. Ms. Wagner-Lockwood indicates that funds to cover such costs would be deposited from the bond proceeds into the previously-cited Expense Account. According to Ms. Wagner-Lockwood, the proposed resolutions would authorize the expenditure of up to \$315,000 in bond proceeds by the CAO for the costs associated with bond issuance. As such, the expenditure of bond proceeds for bond issuance costs would not require separate appropriation approval by the Board of Supervisors.

2. All future appropriations of these Bond Fund monies for purposes other than for bond issuance costs would be subject to the separate appropriation approval by the Board of Supervisors through supplemental appropriation ordinances or through the annual budget process.

The Budget Analyst suggests that the Budget Committee may wish to amend the proposed legislation to require that

¹ General Purpose Sewer Revenue Refunding Bonds are issued for the purpose of refunding a portion of previously sold Sewer Revenue Bonds in order to achieve debt service savings from a reduced interest rate payable on the bonds.

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expenditures of bond proceeds for bond issuance costs also be subject to separate appropriation approval by the Board of Supervisors.

3. The proposed resolution (File 170-95-4.1) states that the bonds would not exceed a maximum interest rate of 12 percent. However, Ms. Wagner-Lockwood reports that the bonds would most likely be sold at an interest rate of approximately six percent.

4. Ms. Wagner-Lockwood reports that the average annual debt service for the Series 1995 Sewer Revenue Bonds is estimated to be \$3.77 million.

5. There are currently \$511,995,000 in outstanding Sewer Revenue Bonds for the Clean Water Program (Series 1991, 1992 and 1994). According to the Department of Public Works (DPW) schedule of cash flow requirements for projects included in the voter-approved \$146,075,000 Sewer Revenue Bond program, funds for the various projects will be required over a six-year period. Ms. Ann Carey of DPW indicates that the impact of the issuance and sale of the subject \$62.5 million in Series 1995 Sewer Revenue Bonds on the Sewer Service Charge will be an increase of approximately one-half of one percent (0.5 percent) each year for five years beginning in FY 1995-96. A separate Sewer Service Charge rate resolution, which provides for an increase in the Sewer Service Charge to cover debt service on the Series 1995 Sewer Revenue Bonds, has been submitted to the Board of Supervisors for approval.

Recommendations: 1. Approve the proposed resolutions.

2. Amendment of the proposed resolutions, in accordance with Comment No. 2 above, is a policy matter for the Board of Supervisors.

Items 6 and 7 - Files 101-94-85 & 102-94-14

Note: This item was continued by the Budget Committee at its April 26, 1995 Committee meeting.

Department: Trial Courts

Item: Supplemental Appropriation ordinance appropriating and rescinding \$138,564 from salaries and fringe benefits to create three new positions (101-94-85).

Ordinance amending the 1994-95 Annual Salary Ordinance to reflect the addition of three new positions (1 FTE 676 Research Assistant, 2 FTE 697 Judicial Clerks) (102-94-14)

Amount: \$138,564

Source of Funds: Reappropriation of surplus funds in the Trial Courts 1994-95 Budget

Description: The Trial Courts are requesting that \$138,564 in surplus monies be rescinded from Permanent Salaries and Fringe Benefits in the Trial Court's existing FY 1994-95 budget, and reappropriated for 12 months funding to support three new positions: one Research Assistant and two Judicial Clerks.

The Superior Court is requesting funding for two new Judicial Clerks and one new Research Assistant to perform additional work created by the new "Three Strikes You're Out" sanction, which specifies that persons convicted of three or more felonies must serve jail time. The Presiding Judge advises that the number of felony proceedings is expected to grow 22 percent in FY 1994-95, because defendants are less willing to plead guilty knowing that a guilty plea automatically results in jail time (see Comment 3). The new positions would research motions, maintain and retrieve records, and provide information to prosecutors within and outside the jurisdiction of the County. The costs of the salaries and fringe benefits for these positions for the period May 1, 1995 through June 30, 1995 are as follows:

Personnel

676 Research Assistant Atty. (1 FTE)	\$46,067
697 Judicial Clerk (2 FTEs)	<u>68,069</u>
Total Permanent Salaries	\$114,136
Fringe Benefits, at 21 percent	<u>23,969</u>
Total Salary and Fringe Benefits	\$138,105

Comment:

1. The total amount of salaries and fringe benefits for the three requested positions noted here is \$459 less than the amount of \$138,564 requested by the Superior Court because of slight errors on the part of the Superior Court in calculating the total annual salary, based on a bi-weekly salary for the Research Assistant of \$1,765 and, for the Judicial Clerks, \$1,304. Therefore, the proposed Supplemental Appropriation Ordinance should be reduced by \$459 to reflect this lower need. In addition, the Superior Court would only be able to fill these positions for June (one month) of Fiscal Year 1994-95. Therefore, this request should be reduced by an additional \$126,596, to reflect the costs for one month instead of 12 months of salary and benefits, or \$11,509, rather than full year costs of \$138,105.

2. As noted above, funds for this supplemental appropriation would come from a reappropriation of existing surplus monies in the Trial Court's 1994-95 budget. However, it should be noted that the addition of the three new positions would result in on-going additional annual costs for the Superior Court of \$138,105 based on FY 1994-95 salary levels.

3. According to Ms. Harrison, the requested Judicial Clerks would perform entry-level clerical activities necessary to provide proof of prior strikes, including pulling files and making photocopies, in response to requests from the San Francisco District Attorney and other California jurisdictions. Whereas 30 requests for information on prior convictions were received daily before three strikes, 50 daily requests are now being received. The Superior Court is currently a month behind in these activities.

The Research Assistant Attorney is an entry-level attorney position to research motions pertaining to Three Strikes, Ms. Harrison advises. Such motions might include constitutional challenges to the Three Strikes legislation, challenges specific to previous strikes in an individual case, and challenges to

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what cases are classified as "violent felonies" (at least one of the three strikes must be "violent" for the law to apply). Ms. Harrison advises that research of such motions should be completed at least three days in advance of a hearing, to allow the Judge sufficient time to review the information. Currently, research is not always completed in time for a hearing, which causes the hearing to be continued. Ms. Harrison advises that such continuances require additional resources, because a hearing must be held a second time for the same case. Currently, the Court receives Temporary Salary funds for one half-time Research Assistant Attorney. If the proposed new full-time Research Assistant Attorney position is approved, the courts should reduce their FY 1995-96 Temporary Salary account to eliminate the existing half-time position.

4. The State of California Legislative Analyst's Office conducted a survey of 42 California counties to determine the impact of "Three Strikes." The Legislative Analyst's Office reported on January 6, 1995, that, prior to "Three Strikes," 94 percent of all felony cases Statewide were disposed of through plea bargaining. After "Three Strikes," only 14 percent of all second-strike cases, and six percent of all third-strike cases have been disposed of through plea bargaining. The Legislative Analyst's Office also reported that the number of jury trials has increased Statewide due to "Three Strikes." These findings of the State Legislative Analyst's Office support the Superior Court's claim that the number of cases going to trial, and thus the workload, has increased as a result of "Three Strikes."

5. The reason the Trial Courts did not wait to include these new positions in its FY 1995-96 budget request is that the Trial Courts originated this supplemental appropriation request in February, 1995, because the above activities are increasingly in arrears, according to Ms. Harrison. The Court's supplemental appropriation request was held pending approval by the Mayor's Office of a related supplemental appropriation request for the Public Defender's Office.

6. As part of the presently ongoing Zero Base budget analysis for Fiscal Year 1995-96, the Budget Analyst is currently analyzing cost savings that have been realized and additional savings that could be achieved by the Municipal and Superior Courts through consolidation efforts.

Recommendations: 1. Reduce the proposed Supplemental Appropriation Ordinance by \$127,055, from \$138,564 to \$11,509, to reflect a reduction of \$459 to correct an arithmetic error and to support the cost for one month rather than full-year salary and fringe

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benefit costs for the proposed three new positions (101-94-85) requested by the Superior Court.

2. If the proposed new full-time Research Assistant Attorney position is approved, the Trial Courts should reduce their FY 1995-96 Temporary Salary account to eliminate the existing half-time position.

3. Approval of the proposed Supplemental Appropriation Ordinance, as amended, and of the proposed amendment to the 1994-95 Annual Salary Ordinance, which would add three new permanent positions to perform additional work associated with "Three Strikes," are policy matters for the Board of Supervisors (Files 101-94-85 and 102-94-14).

Item 8 - File 118-94-3

Note: This item was referred from the Health, Public Safety and Environment Committee at its meeting of April 25, 1995, due to the fiscal impact of the proposed ordinance.

Department: Department of Public Health (DPH)

Item: Ordinance amending Part II, Chapter 5 (Health Code), Article 21 of the Municipal Code, by amending Sections 1110, 1114, 1115, 1161, and 1176 to exempt specified categories of medical practitioners from registration renewal, and to make technical changes concerning inspection forms and certain fees.

Description: The proposed amendments to Part II, Chapter 5 (Health Code), Article 21 of the Municipal Code are divided into the three following categories: (1) Registration Renewal Requirement Changes, (2) Self-Inspection Form Changes, and (3) Technical Changes to Fee Schedule. These three categories are described as follows:

Registration Renewal Requirement Changes

Currently, Section 2, Part II, Chapter 5 (Health Code), Article 21, Section 1115 of the Municipal Code requires certain businesses that handle hazardous materials to obtain a Certificate of Registration from the Health Department and renew these Certificates of Registration every two years. The proposed ordinance to amend the Health Code would provide that a physician, dentist, podiatrist, veterinarian, or pharmacist, who is required to obtain a Certificate of Registration solely because he or she operates an establishment that handles oxygen or nitrous oxide or both, would be exempt from filing a renewal application and paying a biennial renewal fee. This exemption would only be valid as long as the total container capacity or combined total container capacity of oxygen or nitrous oxide or both, is less than one thousand cubic feet at standard temperature and pressure. If the capacity of the oxygen or nitrous oxide container is equal to or greater than one thousand cubic feet at standard temperature and pressure, then the business would not qualify for the exemption.

Dr. Larry Meredith, of the Department of Public Health advises that the proposed amendment would not compromise public safety because these medical practitioners are trained in how to safely handle these gases. In addition, Dr. Meredith advises that State law provides that these medical

practitioners are not required to renew their Certificates of Registration for handling hazardous gases.

Ms. Sue Cone of the Department of Public Health advises that approval of the proposed ordinance would result in an estimated reduction of \$14,000 annually, or \$28,000 biennially, in revenues generated through the biennial renewal of 70 Certificates of Registration, at \$400 per Certificate.

Self-Inspection Form Changes

Currently, Section 2, Part II, Chapter 5 (Health Code), Article 21, Section 1161 of the Municipal Code requires regulated businesses to conduct quarterly self-inspections of their hazardous materials storage facility to assure compliance with Article 21, and to maintain logs or file reports of these inspections using forms provided by the Director of Health. The proposed amendment to the Municipal Code would allow businesses to maintain logs or file reports of these inspections using either the forms provided by the Director of Health, or on alternate form provided that the alternate forms contain all of the information found on the forms provided by the Director.

Dr. Meredith states that many business have established their own safety inspection forms, and find it easier to integrate new items into their existing format than to adopt DPH's format. Dr. Meredith advises that this proposed amendment would not have any fiscal impact to the City.

Technical Changes to Fee Schedule

Temporary Certificate of Registration: The proposed amendment would reduce the cost of a Temporary Certificate of Registration from \$170.00 to \$85.00. Ms. Cone advises that DPH has determined that the cost for this temporary registration, which is only valid for a three-month period, is excessive. Ms. Cone advises that in the past year, DPH has only processed two Temporary Certificates of Registration. As such, Ms. Cone advises that the proposed reduction would have minimal revenue loss to the City.

Miscellaneous Other Fee Schedules

Currently the Health Code provides that the Fire Department, which conducts inspections of Underground Storage Tanks located in such places as houses, businesses, and gasoline stations, is paid \$36.00 per hour for their inspection services. The proposed amendment to the Health Code would increase the hourly rate from \$36.00 per hour to

\$62.50 per hour in order to recover the Fire Department's current costs.

If the proposed fee increase is approved, then (1) the cost of the application fee for Underground Storage Tank (UST) repair, modification, removal or closure approval, and up to three hours of field inspection per site, provided by the Department of Public Health and the Fire Department would increase from \$363.00 to \$442.50 to reflect the increase in the Fire Department's costs, (2) the hourly inspection fee for the Fire Department for hours exceeding the three hours included in the application fee would increase from \$36.00 per hour to \$62.50 per hour, and (3) the Fire Department's hourly rate for inspections for permit issuance or renewals that are not required by the Fire Code, but are required by the State's Health and Safety Code, for example in some businesses, would increase from \$36.00 per hour to \$62.50 per hour.

Ms. Cone advises that DPH currently removes an estimated 35 Underground Service Tanks per month. If each applicant paid an additional \$79.50 (\$442.50-\$363.00) per application fee, then the proposed increase in fees would generate an estimated additional \$33,390 annually ($\$79.50 \times 35 \times 12$ mos). Ms. Cone advises that the Fire Department rarely exceeds the three hours provided for in the application fee, so this increase in the Fire Department's hourly rate would have minimal fiscal impact. In addition, Ms. Cone advises the proposed increase in hourly rates for the Fire Department to conduct inspections for permit issuances or renewals that are required by the State's Health and Safety Code, but are not required by the Fire Code, would have minimal fiscal impact since such inspections are not normally done.

Additional Fees as Penalties

According to Ms. Cone, the policy of DPH is to charge a late fee at a rate equal to 100 percent of the initial fee. Ms. Cone advises that this has served as a successful incentive for businesses to meet deadlines for obtaining UST and Acutely Hazardous Material (AHM) permits. The proposed ordinance would reduce the late fee for failing to obtain a UST permit in a timely manner from \$170.00 to \$85.00. Ms. Cone advises that the UST permit is excessive at its current cost. The proposed fee of \$85.00 would be equal to 100 percent of the cost of the initial fee.

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In addition, the proposed ordinance would add the following fee of \$85.00 for the failure to timely register a temporary storage facility. The proposed ordinance would delete the following: ((failure to timely obtain a permit for a freight forwarding and freight transportation service facility)) because, as Ms. Cone advises, permits are not required for a freight forwarding and freight transportation service facility.

The proposed ordinance would be amended to specify the type of permit, costing \$340, as follows: Failure to timely register or obtain an AHM permit, unless otherwise provided in this section.

Comment:

1. In summary, the proposed ordinance would amend the Health Code to (1) exempt certain businesses from renewing Certificates of Registration, resulting in an estimated \$14,000 annual reduction in revenues generated from renewals of Certificates of Registration, (2) allow businesses to use their own forms to document self-inspections of their hazardous waste material storage facilities, and (3) would increase the inspection fees of the Fire Department from \$32.00 per hour to \$62.50 per hour, generating an estimated additional \$33,390 per year in UST application fees, and would decrease various late fees, so that the late fee is not greater than the cost of the initial fee.

2. On April 25, 1995, the Health, Public Safety and Environment Committee approved the proposed ordinance. This ordinance was referred to this Budget Committee for consideration because the proposed amendments were determined to have a fiscal impact.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 9 - File 101-94-95

Department: Police Department

Item: Resolution urging the Mayor to urge the Police Commission to submit a supplemental appropriation request to provide the bomb squad of the Police Department with a new bomb-disarming robot, five protective uniforms (bomb suits) for members of the bomb squad and four starlight scopes.

Description: The proposed legislation states that the recent bombings of the Oklahoma City Federal Building and the World Trade Center Building in New York City, make it necessary for major American cities to be fully equipped to meet threats posed by terrorists, including having access to fully functioning and effective bomb disarming equipment and protective gear.

The Police Department has a bomb squad under its Tactical Division, which is composed of seven team members. Captain Larry Minasian of the Tactical Division of the Police Department reports that the Police Department currently has one bomb-disarming robot. According to Captain Minasian, this robot, which is 25 years old, is out-dated and does not function properly. Captain Minasian also advises that the Police Department currently has only one protective uniform, which is designed to fit persons 5' 10" or over. Captain Minasian states that in order to have adequate protective gear for the members of the bomb squad, the Police Department needs to (1) purchase two (not five as indicated in the proposed resolution) additional protective uniforms and (2) upgrade the one existing protective uniform. Captain Minasian advises that such upgrade would involve adding a communication system, which would allow two-way communication between the technician working on the bomb and other members of the bomb squad. According to Captain Minasian, at least one of the two additional protective uniforms would be designed for persons under 5' 10". Captain Minasian further advises that the four starlight scopes noted above are not needed by the bomb squad in the performance of their work. As such, Captain Minasian believes that this equipment should not be included as a part of the proposed supplemental appropriation request.

The Police Department reports that the estimated cost for the proposed new robot and protective uniforms and for the upgrade of the existing protective uniform, is as follows:

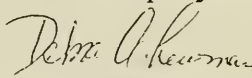
BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
May 3, 1995 Budget Committee Meeting

Bomb-Disarming Robot	\$100,000
Protective Uniforms (2 @ \$14,000 each)	28,000
Upgrade of Protective Uniform	<u>7,500</u>
Total	\$135,500

Comment: Captain Minasian advises that there would be no additional annual maintenance costs for the new robot and no additional annual training costs associated with the acquisition of the new robot or the protective uniforms.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
\$90.07
#2
5/10/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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AUG 27 1996

SAN FRANCISCO
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WEDNESDAY, MAY 10, 1995 - 1:00 P.M.

ROOM 410, WAR MEMORIAL BLDG.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:12 P.M.

GENERAL ITEMS

1. File 231-95-1. [Initiating Proceedings to Form Assessment District]
Resolution initiating proceedings pursuant to State law in order to form
"PRIDE", a Benefit Assessment District to fund maintenance of park
property. (Supervisors Hsieh, Bierman, Leal, Teng, Alioto)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington,
Controller; Mary Burns, General Manager, Recreation and Park Department;
Debra Newman, representing Budget Analyst; Phil Arnold, Assistant General
Manager, Recreation and Park Department. IN SUPPORT: Clayton
Mansfield, Rec/Park Coalition; Dennis Antenore; Ron Miguel, President,
Planning Association for the Richmond; Mila Visser't Hooft, Shared Art
Studio; Steve Vardespino, President, Bike/Soccer Club; William Ryan, Lawn
Bowling Club; Parker Maddux, Friends of Rec/Park; Isabel Wade, Urban
Resources; Matt Etlinger; Patricia Walkup; Andrea Tischler; Sean Sweeney,
Area Supervisor, Recreation and Park Department; Mary Gregory, President,
Randall Museum Society; Nan McGuire, S.F. Beautiful; Howard Strassner; Bill
Madison; Don Tull, Stern Grove on behalf of Patricia Kristof Moy; Jane Hart,
Trust for Public Land; LaWanna Preston, Local 790; Nancy Cohrs, Rec/Park
Advocates; Laurie Golmdan, Exec. Dir., Strybing Arboretum Society;
Margaret Brodtkin, Director, Coleman Advocates; Brian Lease, SF League of
Urban Gardeners; Greg Garr; Doug Wildman; Marybeth Wallace; Cecilia
Shepard; Marc Norton, SF for Tax Justice; Elsie Bandares; Betty Carmer;
Sabrina Merlo, Urban Gardeners. OPPOSED: Edith McMillian; Jim Frabris, SF
Association of Realtors.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING
SAME TITLE PRESENTED BY SUPERVISOR HSIEH. ADOPTED.
AMENDMENT OF THE WHOLE RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman dissenting.)

2. File 208-95-4. [Urban Search and Rescue Task Force] Resolution urging the Mayor to urge the Fire Commission to immediately allocate funding to fully equip the Urban Search and Rescue Task Force for the current fiscal year. (Supervisors Hsieh, Kaufman, Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst; Deputy Chief Frank Cardinale, SF Fire Department; Ed Harrington, Controller; Teresa Serate, Budget Director, Office of the Mayor. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE PRESENTED BY SUPERVISOR HSIEH. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. AMENDED TITLE: "Urging the Mayor to urge the Fire Commission to immediately allocate funding to fully equip the Urban Search and Rescue Task Force for the current fiscal year, and urging the Mayor to include in his fiscal year 1995-96 budget the funding requested by the Fire Department for the Task Force."

(Add Supervisor Bierman as co-sponsor.)

VOTE: 3-0.

FISCAL ITEMS

3. File 101-94-96. [Government Funding - Dept. Public Works] Ordinance appropriating \$3,978,141 from the Clean Water Operating Fund (Rate Stabilization Fund) to allow the Department of Public Works to meet debt service requirements for fiscal year 1994-95. (Controller) RO #94230

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Debra Newman, representing Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

4. File 101-94-97. [Government Funding - Assessment Appeals Board] Ordinance appropriating \$17,900 of Other Government Service Charges to allow the Board of Supervisors to pay fees and other compensation to Hearing Officers and Assessment Appeals Board members for fiscal year 1994-95. (Controller) RO #94229

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Debra Newman, representing Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

RELEASE OF RESERVE

5. File 101-92-60.8. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department, (1992 Prop C Bond Issue Fund) in the total amount of \$1,115,482 for the purpose of funding construction contract, hazardous material abatement, and construction services of Fire Stations 23 and 16. (Dept. Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Debra Newman, representing Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE IN THE AMOUNT OF \$1,115,482 APPROVED. FILED.

VOTE: 3-0.

FEES

6. File 97-95-26. [Assessment Appeals Board] Ordinance amending Administrative Code 2B of the San Francisco Administrative Code by amending Section 2B.9 thereto to waive the filing fee for an application for reduction of assessment where the application is accompanied by a stipulation with the Assessor and the application is filed after the Assessment Appeals Board has reduced the assessment for a prior tax year, amending Section 2B.10 to allow refund of only half of the hearing fee where the applicant prevails and obtains a reduction from the Assessment Appeals Board, amending Section 2B.12 to allow the Board of Supervisors to create a third Assessment Appeals Board where necessary to provide timely Assessment Appeal hearings, amending Section 2B.13 to allow Assessment Appeals Boards Nos. 2 and 3 to hear appeals involving property of any type on the secured or unsecured roll assessed at \$30,000,000 or less, and amending Section 2B.18 to require the Assessment Appeals Board to accept recommendations of hearing officers as to which there is no timely objection. (Clerk of the Board)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO MAY 17, 1995, MEETING.

VOTE: 3-0.

7. File 97-95-27. [Environmental Review Fees] Ordinance amending the Administrative Code by amending Section 31.36A, to institute new fees, increase fees, modify fees and extend the period certain fees are charged for environmental review procedures. (Department of City Planning)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst; Milton Edlin, Deputy Director of Planning, City Planning Department; Lu Blazej, Director of Planning, City Planning Department. IN SUPPORT: None. OPPOSED: Evelyn Wilson, SF Coalition for San Francisco Neighborhoods; Edith McMillian; Gg Platt; John Barbey, SF Neighborhoods.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

8. File 115-95-2. [Planning Fees and Initiation of Amendments] Ordinance amending Article 2, Article 3 and Article 3.54 of the City Planning Code by amending Sections 228.4, 302, 350 through 353, 355 through 358 to authorize citizens to request amendments to the City Planning Code, to impose new fees, change the amount of fees currently charged relating to Department of City Planning actions, activities and services. (Department of City Planning)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst; Milton Edlin, Deputy Director of Planning, City Planning Department; Lu Blazej, Director of Planning, City Planning Department. IN SUPPORT: None. OPPOSED: Evelyn Wilson, SF Coalition for San Francisco Neighborhoods; Edith McMillian; Gg Platt; John Barbey, SF Neighborhoods.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. On Page 17, line 1, reduce Discretionary Review fee back to \$125 and delete "plus time and materials in excess of fee paid, to be paid by the requestor of Discretionary Review, total charge not to exceed five times the initial fee." On Page 27, line 22, reduce Landmark fee back to \$250 and delete "for first four hours of fstaff time or fraction thereof, plus time and materials for each subsequent hour of staff time, total charge not to exceed five times the initial fee, without providing an estimate of cost. On Page 22, line 9, make clerical correction to repalce "II" with "11".

VOTE: 3-0.

HEARINGS

9. File 12-95-24.1. [Taxes on Banks/Insurance Companies] Hearing to consider seeking a change in State law to permit San Francisco to directly tax banks and insurance companies instead of receiving in lieu payments from the State of California. (Supervisor Ammiano)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO MAY 17, 1995, MEETING.

VOTE: 3-0.

10. File 161-95-3. [Redevelopment Agency Quarterly Report] Hearing to consider the Redevelopment Agency's Quarterly Financial Performance Report for the quarter ending December 31, 1994, in compliance with Condition No. 3 of Resolution No. 330-94. (Redevelopment Agency)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Debra Newman, representing Budget Analyst; Clifford Graves, Executive Director, Redevelopment Agency. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. FILED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 5:48 P.M.



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 5, 1995

TO: Budget Committee
FROM: Budget Analyst *Recreation*
SUBJECT: May 10, 1995 Budget Committee Meeting

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MAY 09 1995

SAN FRANCISCO
PUBLIC LIBRARYItem 1 - File 231-95-1**Department:** Recreation and Parks Department

Item: Resolution initiating proceedings pursuant to State law in order to form the Parks and Recreation Improvement District for Enhancements (PRIDE), a Benefit Assessment District to fund maintenance of park property.

Description: The proposed resolution would take the first step in the formation of a Benefit Assessment District in the City to provide funds for park maintenance and operations.

State law permits jurisdictions to form special assessment districts that charge property owners for capital improvements and maintenance on nearby streets and parks. In most assessment districts, property owners are assessed proportionally based on the benefit to their property of the improvements. The Benefit Assessment District discussed by the proposed resolution would assess an amount from all property owners within the District (in this case, the entire City), based on the idea that parks benefit all properties Citywide, and would use those funds for park maintenance purposes Citywide.

Memo to Budget Committee
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In California, citywide assessment districts to fund park maintenance have been established in Oakland, Berkeley, Alameda, Hayward, Daly City, and other jurisdictions. The assessments on property in these jurisdictions range anywhere from \$5 to over \$100 per property.

For the San Francisco Benefit Assessment District, the Department of Recreation and Parks is proposing an assessment of between \$75 and \$200 per parcel, depending on the size of the property and whether it is commercial or residential property. An amount would be assessed on all parcels in the City, with some possible exceptions. The amount of the assessment, and any exceptions to the assessment, would be addressed in an engineer's report that must be drafted as part of the process of establishing the district. This assessment would be in addition to the property tax currently paid by each property owner.

Based on the approximately 167,000 parcels in the City, the Department estimates that the Benefit Assessment District would generate approximately \$15.8 million per year in additional annual revenues. According to the Department, approximately \$11 million of this could be used to offset General Fund support of the Recreation and Park Department and the remaining \$4.8 million could be used to enhance Recreation and Park services.

According to the Recreation and Park Department, because of the Open Space Fund, the 1987 Park Improvement Bond and the Golden Gate Park Infrastructure Bond, the Department currently has adequate funding for capital improvements. However, the Department reports that because of limits on General Fund support, and cuts in the Department's gardening, custodial, and other staff and budgets in the last five to ten years, the Department is not able to maintain the parks at the level of quality expected. Proceeds generated from the Benefit Assessment District would be used only for maintenance and operation of the parks, and cannot be used for recreation personnel, recreation services, or administrative costs. The Recreation and Park Department now receives approximately \$20 million in General Fund support annually, and, as noted above, funds from the Benefit Assessment District could offset approximately \$11 of that \$20 million.

Memo to Budget Committee
May 10, 1995 Budget Committee Meeting

The steps to establishing a Benefit Assessment District in San Francisco would involve:

(a) The approval of the proposed subject resolution by the Board of Supervisors which would order an engineer's report for the District;

(b) Preparation of the engineer's report, at an estimated cost of \$80,000. If the District is established, some of the cost of the engineer's report can be funded from the assessed District funds. The Department reports that a private non-profit organization, Friends of Recreation and Park, may also be able to raise some part of these funds. No other specific funding sources have been identified for these funds.

(c) Approval of the engineer's report and of a resolution of intent to form the assessment district by the Board of Supervisors;

(d) Introduction by the Board of Supervisors of an ordinance forming the assessment district and levying the assessment;

(e) If a majority of the property owners assessed do not protest the Benefit Assessment District in writing within a 45-day period after introduction of the ordinance, the ordinance can be adopted by the Board of Supervisors; and

(f) If the Benefit Assessment District is established, State law requires an annual engineer's report to set the assessment rate. State law also requires that, as part of the annual process of setting the assessment rate, a 45-day period for property owners to protest the assessment is established between the issuance and the adoption of the engineer's report.

According to State law, if an assessment is to be levied for Fiscal Year 1995-96, the ordinance creating the Benefit Assessment District must be adopted by the Board of Supervisors by July 1, or, with the approval of the Controller, by the third Monday in August, which is August 21, 1995.

Comments:

1. The current tax rate is \$1.163 percent of assessed valuation, including both general property taxes and bond debt rates. On a residential property assessed at \$300,000, the amount of property tax is approximately \$3,489. These figures are for information purposes only; as noted above, an assessment under the Benefit Assessment District would not be based on property taxes, but on the benefit to be derived to property owners from the improvements.

2. The assessment rates for this Benefit Assessment District would be proposed in the annual engineer's report, and would require approval by the Board of Supervisors. If the Board of Supervisors did not agree with the assessment proposed by the engineer's report, they could recommend a different assessment level as long as the assessment levels are related to the benefits provided by the district. The Board of Supervisor's annual resolution approving the assessment must also declare that not more is collected than the improvements funded by the Benefit Assessment District cost.

3. Some Citywide and property taxes contain exceptions, such as those for churches or other non-profit institutions. However, any exceptions to the assessment in a Benefit Assessment District must be based on the benefit that is derived to those property owners from the Benefit Assessment District. The engineer's report must present and verify a formula for the assessment that is reasonably related to the benefit to be derived to property owners from the District.

4. As with any other ordinance, a majority vote of the Board of Supervisors could modify or discontinue the ordinance creating the Benefit Assessment District.

5. As noted above, State law requires that property owners have the opportunity annually to protest the assessment during a period of at least 45 days between the issuance and the adoption of the annual engineer's report. If, during this period, a majority of the assessed property owners object to the assessment in writing, the assessment cannot be levied, and the proceedings for the Benefit Assessment District must be abandoned.

6. Many assessment districts, such as landscape and lighting districts, are created for a limited time period in order to provide sufficient funds to pay for a specific set of improvements. When the improvements are complete, the assessment district is discontinued. The Benefit Assessment District proposed for San Francisco parks would be created to fund ongoing operations and maintenance costs in the parks, and would have an indefinite lifetime. It should be noted that this revenue source is proposed to meet basic expenses for the Recreation and Park Department, and, in the event that the Benefit Assessment District is dissolved, another source for such funds would have to be identified. Further, given that the maintenance and operations costs for the City's parks are likely to increase over time, it is likely that the amount of the assessment would also increase.

7. According to Mr. James Cumming of the City Attorney's Office, under rules and regulations adopted by the Rent Board, the cost of the property tax assessment levied under the Benefit Assessment District can be passed on from landlords to tenants. Tenant organizations in the City have initiated a lawsuit challenging these rules and regulations, which is currently before the Court of Appeals, according to Mr. Cumming.

8. As noted above, the formation of the Benefit Assessment District requires an engineer's report. The Recreation and Park Department estimates that this report will cost approximately \$80,000. According to Mr. Arnold, the report would be done by a private firm under contract to the City. If the District is established, some of the cost of the engineer's report can be funded from the assessed District funds. However, if the District is not established, no funds would be available from this source. As noted above, the Department reports that a private organization, Friends of Recreation and Park, may also be able to raise some part of these funds. No other specific funding sources have been identified for these funds.

9. As noted above, the funds raised by the Benefit Assessment District could generate approximately \$15.8 million in FY 1995-96, approximately \$11 million of which could be used to offset General Fund monies now budgeted for the Recreation and Parks Department, or approximately 55 percent of the Department's overall General Fund budget of \$20 million.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 2 - File 208-95-4

Item: Resolution urging the Mayor to urge the Fire Commission to immediately allocate funding to fully equip the Urban Search and Rescue Task Force for the current Fiscal Year

Description: The Fire Department has been in the process of developing an Urban Search and Rescue Task Force, under the guidelines provided by the Federal Emergency Management Association (FEMA), and State Office of Emergency Services (OES), since May of 1994. The purpose of the Task Force is to locate and extricate victims trapped in collapsed buildings, primarily of heavy concrete construction. The Task Force is composed of 62 positions, (186 individuals - three per position), divided into four major functional groups: (1) Search, (2) Rescue, (3) Medical, and (4) Technical. The Task Force members are recruited from a variety of City Departments, including Search, Rescue, and HazMat specialists from the Fire Department, paramedics and emergency room doctors from the Department of Public Health, structural engineers from the Bureau of Building Inspections, heavy rigging specialists from the Department of Public works, and computer and video experts from the Department of Electricity. In addition, search dog handlers are to be recruited from volunteer organizations.

FEMA provides training, and cost reimbursements to 25 Urban Search and Rescue Task Forces across the country, eight of which are in California, and three of which are in Northern California. The State OES currently provides equipment, training, and cost reimbursements to the eight Task Forces in California. In order to be recognized by FEMA and OES as a Urban Search and Rescue Task Force, which would enable the City to receive training, equipment, and cost reimbursements, the City's Task Force must purchase a minimum level of training, materials, supplies, and equipment to demonstrate to FEMA and OES that the City is committed to supporting the development and operation of a Task Force. Chief Frank Cardinale of the Fire Department, advises that the cost to purchase this minimum level of training, materials, supplies, and equipment would be \$133,174. The amount of \$133,174, would provide (1) \$42,810 for Training, (2) \$57,070 for Materials and Supplies, including such items as rescue harnesses, rescue ropes, and medical supplies, and (3) \$33,294 for Equipment, including circular saws, demolition hammers, and a generator.

Chief Howard Slater of the Fire Department advises that the total amount of \$133,174, required for the minimum

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BUDGET ANALYST

purchase of training, materials, supplies, and equipment, would be provided through surplus funds in the Fire Department's Fiscal Year 1994-95 budget. Chief Slater advises that the Fire Department will submit a supplemental appropriation request to reappropriate \$133,174 from Personal Services, including salaries, benefits, and overtime pay, to be used for the Task Force. Chief Slater advises that the Fire Department has submitted a request to the Mayor's Office for an additional amount of \$125,179 to be used for training, materials, supplies, and equipment, to be added to the Fire Department's proposed Fiscal Year 1995-96 budget request for the Task Force. Chief Cardinale advises that the cost of the Task Force would decrease significantly after 1996 because the Task Force would have obtained the necessary equipment, materials, and supplies. According to Chief Cardinale, the majority of the future costs for the Task Force, beyond Fiscal Year 1995-96, would be used for training and equipment maintenance.

Comments:

1. Chief Cardinale advises that if the City's Task Force is recognized by OES, then OES would provide the City with \$100,000 for additional equipment and training beyond what is currently requested in the Fiscal Year 1994-95 and Fiscal Year 1995-96 budgets. In addition, Chief Cardinale advises, that although the main goal of the Task Force is to provide services within San Francisco, if the Task Force is called to service in other cities, or states, all of the costs associated with travel, lodging, local replacement staff (overtime pay), etc., the City would automatically be reimbursed 100 percent by either OES, FEMA or both.

2. Chief Cardinale advises that at the Fire Commission's meeting on April 25, 1995, the Fire Commission authorized the amount of \$133,174 to be used for the purchase of training, materials, supplies, and equipment. In addition, the Fire Department approved the Fire Department's request for additional Task Force funding in their Fiscal Year 1995-96 budget.

Recommendation: Approval of the proposed resolution is a policy decision for the Board of Supervisors.

Item 3 - File 101-94-96

Department: Department of Public Works (DPW)

Item: Supplemental Appropriation Ordinance appropriating \$3,978,141 from the Clean Water Operating Fund (Rate Stabilization Fund) to allow the Department of Public Works to meet debt service requirements for Fiscal Year 1994-95.

Amount: \$3,978,141

Source of Funds: Clean Water Operating Fund - Rate Stabilization Fund (consists of savings from refinancing of prior bond funds)

Description: The DPW reports that the DPW's Clean Water Enterprise currently has a total of \$511,995,000 of Series 1991, 1992 and 1994 Sewer Revenue Bonds outstanding. The 1991 Sewer Revenue Bond, which was approved by the San Francisco voters, and the 1992 and 1994 refunded Sewer Service Bonds are being used to pay for the completion of projects under the Sewer System Master Plan. To repay the bonds, the DPW makes ten principal and ten interest deposits annually to the fiscal agent, Bank of America. According to the DPW, the principal deposits must be made in ten equal installments prior to the payment date of October 1 and the interest deposits must be made in five equal installments prior to the October 1 payment date and in five equal payments prior to the April 1 payment date. Principal payments are made annually on October 1 and interest payments are made semi-annually on April 1 and October 1 by the fiscal agent to the bond holders.

The DPW reports that historically, the DPW has (1) began making the first of the ten principal deposits against the following year's October 1 payment date in November of the preceding year (e. g., the first principal deposit against the October 1, 1995 payment date was made in November, 1994) and (2) began making the first of the five interest deposits against the April 1 payment date in November of the preceding year (e. g., the first interest deposit against the April 1, 1995 payment date was made in November of 1994). However, Ms. Ann Carey of the DPW advises that the DPW was recently informed by Bond Counsel, Orrick, Herrington, and Sutcliffe, that, in order to be in strict compliance with Bond Resolution 656-92, the DPW must (1) begin making principal deposits in October for the following year's October 1 payment date and (2) begin making interest deposits in October for the following year's April 1 payment date. According to the DPW, as a result of moving the deposit

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schedule up by one month for the principal and interest deposits, the DPW must make eleven principal and interest deposits in FY 1994-95. This would be a one-time adjustment. According to the DPW, in subsequent years, principal and interest deposits will return to the annual ten deposit cycle with nine deposits for each being made in the final year of debt service.

The DPW advises that the requested total of \$3,978,141 would be used by the DPW to make the eleventh principal deposit in the amount of \$1,148,000 and the eleventh interest deposit in the amount of \$2,830,141, in June of 1995.

Comment:

The DPW advises that the current balance in the Clean Water's Rate Stabilization Fund is \$30 million.

Recommendation: Approve the proposed ordinance.

Item 4 - File 101-94-97

Department: Assessment Appeals Board (AAB)

Item: Ordinance appropriating \$17,900 from Assessment Appeals Board unbudgeted revenues to allow the Board of Supervisors to pay compensation to hearing officers and Assessment Appeals Board members for the FY 1994-95.

Amount: \$17,900

Source of Funds: Assessment Appeals Board Revenues

Description: The proposed ordinance would appropriate the amount of \$17,900 from AAB revenues to pay for salaries for Board members and hearing officers for the remainder of FY 1994-95.

The Assessment Appeals Board (AAB) hears appeals from property owners who dispute assessments of property value determined by the Assessor's Office, and the resulting tax liability. Currently, there are two Assessment Appeals Boards of three members each. Members are selected by the Board of Supervisors from applicants involved in related fields.

Ms. Marilyn Cosentino of the AAB advises that the severe downturn in San Francisco real estate values and limited reductions in assessment by the Assessor have resulted in a sharp rise in appeals to the AAB since 1993 and a severe backlog of cases. Ms. Cosentino further advises that State law provides that the taxpayer's opinion of value will prevail if an appeal is not decided within two years of filing, possibly resulting in a sharp fall in revenues to the City. According to Ms. Cosentino, the two current Assessment Appeals Boards have had to maintain an abnormally heavy workload to meet this two-year deadline, due to the backlog of cases.

Comments: 1. The FY 1994-95 budget for the AAB is \$115,000 for 191.5 hearing days. According to Ms. Cosentino, the severe backlog of cases has made it necessary to schedule 30 more hearing days than the 191.5 days previously budgeted for FY 1994-95, resulting in a projected 221.5 hearing days for 1994-95. The subject appropriation of \$17,900 represents the deficiency between the FY 1994-95 budget of \$115,000 for 191.5 hearing days, and the FY 1994-95 projected total expenditures of \$132,900 for 221.5 hearing days (\$132,900 less \$115,000 equals \$17,900). This projected expenditure of \$132,900 includes \$94,500 in actual expenditures from July 1, 1994 to

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Memo to Budget Committee
May 10, 1995

April 30, 1995 and \$38,400 in projected expenditures from May 1, 1995 to June 30, 1995 as follows:

	Actual Expenditures	Projected Expenditures	Projected Total Expenditures	Estimated Budget
	<u>July 1 - April 30</u>	<u>May 1 - June 30</u>	<u>July 1 - June 30</u>	<u>Deficiency</u>
FY 1994-95 <u>Budget</u>	\$115,000	\$94,500	\$38,400	\$132,900
				(\$17,900)

2. Mr. Victor Young of the AAB reports that unbudgeted AAB revenues would be the source of funds for the proposed \$17,900 request. Mr. Young reports that AAB revenues come from fees for (a) filing appeals, (b) conducting hearings and (c) preparing Findings of Fact reports. Findings of Fact reports are used in appeals of AAB decisions to the Superior Court. According to Mr. Young, AAB revenues for FY 1994-95 will total an estimated \$204,250, or \$53,250 more than the \$151,000 budgeted. Unbudgeted revenues remaining after the subject appropriation of \$17,900 would return to the General Fund at the close of the fiscal year.

Recommendation: Approve the proposed ordinance.

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BUDGET ANALYST

Item 5 - File 101-92-60.8

Department: Fire Department
Department of Public Works (DPW)

Item: Requesting the release of reserved funds from the Fire Department 1992 Prop C Bond Issue Fund, in the total amount of \$1,115,482, for the purpose of funding a construction contract, hazardous material abatement, and construction services of Fire Stations 23 and 16.

Source and Amount of Funds: 1992 Prop C Fire Protection Bond Issue Fund

Series 1993D Bond Issue	\$303,600
Series 1994D Bond Issue	<u>811,882</u>
Total	\$1,115,482

Description: In November of 1992, the voters of San Francisco approved the Proposition C Fire Protection Bond Issue. A total of \$40.8 million in General Obligation bonds were approved to finance improvement costs related to various Fire Department facilities.

In May of 1993, the Board of Supervisors approved an appropriation request of \$15,204,533, from the Series 1993D bond sale, and in November of 1994, the Board of Supervisors approved an appropriation request of \$9,400,000, from the Series 1994D bond sale, for such projects as seismic strengthening, disabled access, and the construction of separate bathrooms for male and female firefighters. The Board of Supervisors placed \$10,788,125 and \$4,630,882, respectively, on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and the contract cost details. The proposed release of reserved funds, in the amount of \$1,115,482 would be used to pay for (1) the construction contract at Fire Station No. 23 for such projects as seismic strengthening, and the modification of the electrical system, as well as DPW's cost for construction management services, and various renovations, including, asbestos abatement, and hazardous material abatement; and (2) DPW's costs for construction management services, and hazardous material abatement at Fire Station No. 16.

DPW selected the second lowest bidder, Chiang C.M. Construction, for an amount of \$723,610 for the construction work at Fire Station No. 23. DPW did not award the contract to the lowest bidder, LEM Construction, Inc. because LEM Construction, Inc. did not meet the Human Rights

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Commission's (HRC) subcontracting goal of 6.8 percent WBE. Chiang C.M. Construction met all of HRC's subcontracting goals. The funds to be expended are as follows:

Fire Station No. 23 (1348 45th Ave.)

Construction Contract - Chiang C.M.	
Construction	\$723,610
Construction Contingency (15.7%)	113,600
Asbestos Abatement/Monitoring- DPW	33,673
Construction Services (Management/ Inspection) - DPW	86,699
Special Inspection/Material Testing - DPW	18,000
Construction Administration	<u>39,900</u>
Subtotal	\$1,015,482

Fire Station No. 16 (2251 Greenwich St.)

Asbestos Abatement/Monitoring- DPW	\$45,873
Asbestos Contingency (15%)	6,897
Construction Services (Management/ Inspection) - DPW	<u>47,230</u>
Subtotal	<u>\$100,000</u>
TOTAL	\$1,115,482

Comments:

1. Mr. Peter Wong of DPW has provided the following contract cost details, including the MBE and WBE participation, for the \$723,610 construction contract for Fire Station No. 23. It should be noted that the construction contract, in the amount of \$723,610, is based on the two following components: (1) the base bid of \$708,800, and (2) Alternate #1, in the amount of \$14,810. Mr. Wong advises that all of the contractors submitted a bid for an additional project component to their base bid, called Alternate #1, to install a sprinkler system in Fire Station No. 23. The Alternate #1 bid would be funded in the event that DPW had sufficient funds. Mr. Wong advises that DPW was able to fund the Alternate #1 bid submitted by Chiang C.M. Construction. However, Mr. Wong advises that the percentages of MBE and WBE participation are based on the base bid of \$708,800. The contract cost details are as follows:

Prime Contractor, MBE/WBE (47.6%)

Chiang C.M. Construction
(overall construction oversight, electrical) \$337,646

Subcontractors, MBE (27.9%)

Chen's Plumbing, Inc.	\$31,900	
Yum's Mechanical	107,000	
Majestic	25,000	
Omega Roofing	10,600	
Trini Chance Construction	15,800	
City Lumber	<u>7,300</u>	
Subtotal, MBE subcontractors		197,600

Subcontractor WBE (12.7%)

Empire Electric Construction 89,900

Other Subcontractors (11.8%)

Byron Exp.	\$10,409	
Linoleum Larry	8,475	
Concrete Structure	8,700	
Mission City	17,412	
City Lumber	7,300	
Global	3,741	
Shepard	12,717	
J. Darden	<u>14,900</u>	
Subtotal, non MBE/WBE Subcontractors		<u>83,654</u>

TOTAL FIRE STATION NO. 23 CONTRACT \$708,800
(Contract total only includes the base bid)

2. Mr. Mike Pierron of DPW advises that the proposed DPW Construction Services for Fire Station No. 16, budgeted for an amount of \$47,230, would provide management and inspection services for (1) the Asbestos Abatement/Monitoring services, as shown in the proposed release of reserved funds, and (2) the construction contract services, which were recently funded for Fire Station No. 16, for an amount of \$414,889 (101-92-60.7).

Recommendation: Approve the proposed resolution.

Item 6 - File 97-95-26

Department: Assessment Appeals Board (AAB)

Item: Ordinance amending Chapter 2B of the San Francisco Administrative Code by amending (1) Section 2B.9 to waive the filing fee for an application for a reduction in assessment in certain cases, (2) Section 2B.10 to allow the refund of only half the hearing fee if certain reductions in assessment are granted, (3) Section 2B.12 to allow the creation of a third Assessment Appeals Board, (4) Section 2B.13 to allow Assessment Appeals Boards Nos. 2 and 3 to hear appeals involving property of \$30,000,000 or less and (5) Section 2B.18 to require the Assessment Appeals Board to accept the recommendations of hearing officers.

Description: The Assessment Appeals Board (AAB) hears appeals from property owners who dispute assessments of property value arrived at by the Assessor's Office, and the resulting tax liability. Currently, two Assessment Appeals Boards, of three members each, exist. Members are selected by the Board of Supervisors from applicants involved in related fields.

Ms. Marilyn Cosentino of the AAB advises that the severe downturn in San Francisco real estate values and limited reductions in assessment by the Assessor have contributed to a sharp rise in appeals to the AAB since 1993, delaying the hearing of appeals and resulting in a severe backlog of cases. Ms. Cosentino further advises that State law provides that the taxpayer's opinion of value will prevail if an appeal is not decided within two years of filing, resulting in the possibility of a sharp fall in revenue to the City.

The proposed ordinance would amend Chapter 2B of the San Francisco Administrative Code as follows:

Section 2B.9

Currently, Section 2B.9 of the Administrative Code allows the waiver of the filing fee of \$30.00 for an application to the AAB only in indigent cases, in accordance with State law (California Government Code Section 68511.3). The proposed ordinance would add waivers of the filing fee for applications for which (1) the Assessor has recommended a reduced assessment in a written stipulation with the agreement of the City Attorney and the applicant, subject to formal AAB approval, (2) the applicant has requested the continuation of a reduced assessment granted by the Assessment Appeals Board in the previous tax year and (3) the applicant's opinion

of the correct assessment value is not less than the prior year's assessment and any automatic annual increase for inflation allowed by law.

The Assessor's Office must reduce its official assessment of property value within a specified time period following a reduction of assessment by the AAB. If the Assessor's Office fails to do so, the official assessment reverts to its previous value and a separate appeal must be filed with the AAB to continue the reduction.

Section 2B.10

Currently, Section 2B.10 of the Administrative Code allows for a full refund of the hearing fee if the hearing results in certain reductions from the Assessor's assessment of property value. Hearing fees are based on a graded scale, increasing as the current assessed value of the property increases. The proposed ordinance would reduce the refund for such hearings to half the hearing fee.

Section 2B.12

Currently, Section 2B.12 of the Administrative Code allows for two Assessment Appeals Boards. The proposed ordinance would authorize the Board of Supervisors' creation of a third Assessment Appeals Board, if the Clerk of the Board of Supervisors certifies that such a third Board is necessary, to handle the increased number of applications filed since 1993. This third Assessment Appeals Board would continue operation until dissolved by ordinance by the Board of Supervisors.

Section 2B.13

Currently, Section 2B.13 restricts most hearings of Assessment Appeals Board No. 2 to applications involving smaller, residential properties or personal property less than \$75,000. The proposed ordinance would allow Assessment Appeals Board No. 2, and a potential Assessment Appeals Board No. 3, to hear applications for properties assessed at up to \$30,000,000, including commercial properties and larger residential properties.

Section 2B.18

Currently, Section 2B.18 allows the AAB to accept or reject the recommendation of a Hearing Officer on certain applications. Hearing Officers, selected from AAB members, are responsible for making recommendations on reductions in assessment values after conducting pre-hearing interviews. Such interviews are limited to applications involving residential properties of four units or less. The proposed

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ordinance would require the AAB to accept the recommendation of the Hearing Officer provided that the applicant agrees with this recommendation. Ms. Cosentino advises that this practice would expedite the hearing process and is common in other Bay Area counties.

Comment:

1. According to Ms. Cosentino, the proposed amendment to Section 2B.9 would eliminate the payment of the filing fee for applicants who find it necessary to file appeals with the AAB because the Assessor's Office is unable to process the previous year's reductions in assessment value before its authority to do so expires. Mr. David Busse of the Assessor's Office advises that since the Assessor's Office expects to process all the previous year's reductions in assessment value before its authority to do so expires, the proposed change in filing fee waivers would have a negligible effect on revenues to the City.

2. Ms. Cosentino reports that the AAB spends an extensive amount of time conducting hearings involving larger, commercial properties. She reports that the proposed reduction in refunds would compensate for this additional Board time. Mr. Victor Young of the AAB states that halving the hearing fee refund would reduce the current \$14,000 in annual fee refunds to an estimated \$7,000, resulting in \$7,000 in additional revenue to the City annually.

3. In February of 1994, the Board of Supervisors approved legislation creating a second Assessment Appeals Board in order to process the severe backlog of cases. Ms. Cosentino reports that the two current Assessment Appeals Boards are likely to be sufficient to handle the present backlog of cases before the expiration of the two-year period obligating the City to accept the applicant's opinion of value. As noted above, Mr. Busse of the Assessor expects to be able to process all previous reductions in assessment before the time period to do so expires, eliminating the probability of an influx of future appeals to the AAB by property owners wishing to maintain these reductions.

4. In the opinion of the Budget Analyst, Ms. Cosentino has not provided sufficient justification to warrant the creation of a third Assessment Appeals Board as proposed in the subject legislation. Ms. Cosentino does not agree with the opinion of the Budget Analyst concerning the amendment to Section 2B.12 authorizing the creation of a third Assessment Appeals Board and advises that this amendment is necessary as a precautionary measure to deal with a possible influx in appeals in FY 1995-96.

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5. Ms. Cosentino estimates the costs for a third Assessment Appeals Board for FY 1995-96 to be \$56,400. Ms. Cosentino advises that the \$56,400 estimate is based on the assumption that this Board would hold hearings two days per week for 47 weeks compensating each of the three members at \$200 per day. Ms. Cosentino reports that the \$56,400 would be requested in a future supplemental appropriation, subject to approval by the Board of Supervisors, if a third Assessment Appeals Board is certified as necessary by the Clerk of the Board.

6. Ms. Cosentino advises that the amendment to Section 2B.13, allowing Assessment Appeals Board No. 2, and a potential Assessment Appeals Board No. 3, to hear applications for properties assessed at up to \$30,000,000, is designed to allow greater efficiency in scheduling hearings.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 7 - File 97-95-27

Department: Department of City Planning

Item: Ordinance amending the Administrative Code by amending Section 31.36A, to institute new fees, increase fees, modify fees and extend the period certain fees are charged for environmental review procedures.

Description: The proposed ordinance would amend Section 31.36A to change the fees for several types of permits, applications and review related to environmental reports that must be filed with the Department of City Planning. These changes are summarized in the table on the following pages.

The proposed ordinance would also reduce and extend a temporary surcharge on fees that the Department of City Planning has added since 1991 in order to provide funds for development of a system to computerize the Department's processing of permit applications. The proposed ordinance would reduce this surcharge from 10 percent to 8.5 percent, and extend the time period for the surcharge through June 30, 1996. Without this action, the surcharge would expire automatically on June 30, 1995. The Department projects that approximately \$64,000 would be collected from the proposed surcharge on environmental reports, and approximately \$259,000 on other types of reports (See File 115-95-2), for a total of \$323,000 in FY 1995-96.

Mr. Alec Bash of the Department of City Planning reports that this stage of the Department's computerization effort will be complete in June 1996. According to Mr. Bash, FY 1995-96 will be the final year that the Department will fund computerization through this surcharge.

The table on the following pages summarizes the changes to environmental procedures and fees that are contained in the proposed ordinance.

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Application or Action	Current Code	Proposed Change	Additional Change
Initial environmental review of a project with no construction costs	Fee is \$950	Fee would be \$950, plus cost of time and materials over that amount, limited to two times the initial fee amount unless estimate provided	Estimates to be provided for time and materials fees that would exceed two times the initial fee amount
Review of significant revisions to a project where an application is already on file	Code does not address this issue	Fee would be the cost of time and materials to review the revisions, limited to three times the initial fee amount unless estimate provided	Estimates to be provided for time and materials fees that would exceed three times the initial fee amount
Preparation of an environmental impact report	Fees specified according to construction cost of project, plus time and materials	Establishing a limit on the total fee of three times the initial fee for the project	
Addendum to a previously-certified Environmental Impact Report	Fee equal to one-third of that for a full EIR on the project, plus time and materials costs	Fee equal to one-third of that for a full EIR on a project with the lowest level of construction cost, plus time and materials not to exceed two times the initial EIR fee, unless estimate provided	Estimates to be provided where the total fee would exceed two times the initial EIR fee
Preparation of a supplement to a Draft or certified Environmental Impact Report	Fee equal to one-half of that for a full EIR on the project, plus cost of time and materials	Establishing a limit on the total fee of two times the initial project fee, unless estimate provided	Estimates to be provided where the total fee would exceed two times the initial project fee
Preparation of a subsequent Environmental Impact Report	Fee equal to two-thirds of that for a full EIR on the project, plus cost of time and materials	Establishing a limit on the total fee of two times the initial fee, unless estimate provided	Estimates to be provided where the total fee would exceed two times the initial fee

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Application or Action	Current Code	Proposed Change	Additional Change
Re-evaluation of a project for which a negative declaration has been prepared	\$950 plus cost of time and materials	Establishing a limit on the total fee of two times the initial fee, unless estimate provided	Estimates to be provided where the total fee would exceed two times the initial fee
Preparation of a certificate of Exemption from Environmental Review	\$150, plus cost of time and materials	Establishing a limit on the total fee of two times the initial fee, unless estimate provided	Estimates to be provided where the total fee would exceed two times the initial fee
Computer analysis of projects requiring review under the shadow impact section of the Code	\$5,000, plus cost of time and materials	Establishing a limit on the total fee of two times the initial fee, unless estimate provided	Estimates to be provided where the total fee would exceed two times the initial fee
Monitoring environmental mitigation measures imposed as a condition of project approval	Cost of time and materials	Establishing a limit on the total fee of \$1,000, unless estimate provided	Estimates to be provided where the total fee would exceed \$1,000
Late charges and collection of overdue fees	Code does not address this issue	Establishing a surcharge of 1 percent per month on accounts in arrears more than 30 days	Zoning Administrator may call on City or other collection agencies to collect account six months in arrears, and add costs of collection to the fee
Fee for Zoning and Public Information	Fee of \$125 is added to the basic fee on all applications in order to provide funds for zoning and public information services	Fee would be discontinued, deemed not necessary with better cost recovery achieved under the proposed changes to the Code	

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Comments:

1. As described above, the proposed ordinance would extend for one year a temporary surcharge which the Department has applied to all fees in order to provide funds for computerization of application processes. The proposed surcharge would expire automatically on June 30, 1996, and renewal after that date would require action by the Board of Supervisors. A budget for the approximately \$323,000 in total funds that will be generated by this surcharge must be reviewed and approved by the Board of Supervisors as part of the FY 1995-96 budget process. As noted above, FY 1995-96 will be the final year that the Department will fund computerization through this surcharge, according to Mr. Bash.
2. Mr. Bash reports that the changes proposed in the ordinance will make the fees under the Planning Code more accurately reflect and recover the City's actual costs for reviewing, processing and approving applications and other actions.
3. Where the Code calls for the Department to provide an estimate to applicants, such estimate will be provided without cost. Hourly rates to be used in such estimates will depend on the billing rate of the staff to be assigned to the project.
4. According to Mr. Bash, the changes in fees under the proposed ordinance are in order to make the cost of environmental reports more predictable, consistent, and fair for all applicants. Mr. Bash reports that in the cases where the proposed ordinance establishes a new limit on the cost of time and materials that may be charged to applicants, in most cases the cost of time and materials would not reach the limit set. These limits are being proposed in order to give applicants a clear limit on the potential cost to process an application, and should not significantly affect the Department's ability to cover its costs.
5. Mr. Bash reports that the Department does not anticipate that fee changes under the proposed ordinance will significantly affect the amount of revenues collected by the City from such fees. In FY 1994-95, the Department projects that they will collect a total, net of the surcharge noted above, of \$3,795,000 in fees.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 8 - File 115-95-2

Item: Ordinance amending Article 2, Article 3 and Article 3.5A of the Municipal Code (City Planning Code) to authorize citizens to request amendments to the City Planning Code, to impose new fees, and to change the amount of fees currently charged for Department of City Planning actions, activities and services.

Description: The proposed ordinance amending Article 2, Article 3, and Article 3.5A of the Municipal Code (City Planning Code) proposes a variety of changes, which can be divided into the following categories: (1) Authorization for Citizens to Request Amendments to the City Planning Code, (2) Continuation of the Computerization Surcharge on City Planning Fees, and, (3) Fees to be Changed or Specified.

Authorization for Citizens to Request Amendments to the City Planning Code

Currently, only the Board of Supervisors and the Planning Commission may propose amendments to the text of the Planning Code. The proposed ordinance would allow property owners, residents, and commercial lessees to propose such changes. The Planning Commission would then be required to consider the proposed amendment as part of their normal public hearing and decision-making process.

Continuation of Computerization Surcharge

The Department of City Planning has added a 10 percent temporary surcharge on all fees since 1991 in order to provide funds for development of a system to computerize the Department's processing of permit applications. The proposed ordinance would reduce this surcharge to 8.5 percent, and extend the time period for the surcharge through June 30, 1996. Without this action, the surcharge would expire automatically on June 30, 1995. The Department projects that approximately \$259,000 would be collected from the proposed surcharge on the reports detailed under this proposed ordinance, and approximately \$64,000 from environmental reports (See File 97-95-27), for a total of \$323,000 in FY 1995-96. Mr. Alec Bash of the Department of City Planning reports that this stage of the Department's computerization effort will be complete in June 1996. According to Mr. Bash, FY 1995-96 will be the final year that the Department will fund computerization through this surcharge.

The table on the following pages summarizes the changes to planning procedures and fees that are contained in the proposed ordinance.

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Fees to be Changed or Specified

Application or Action	Current Code	Proposed Change	Additional Change
Cost of City Planning Staff Time for research, data, site inspections	No cost was specified	Specifying a cost of \$36 per half hour or fraction thereof	Estimates will be provided for projects requiring more than 4 hours
Application for exemption to Zoning Administrator's service station conversion determination	\$300 fee was charged	\$300 fee will be increased to a \$600 fee, plus time and materials, and moved to another part of the Code	
Application for permit to construct affordable housing by a non-profit	Non-profits pay 75% of normal fees, based on construction cost	Non-profits pay based on time and materials	
Application for permit to construct affordable housing financed 50% or more by the City	Application is exempt from permit fees	Exemption will be discontinued, time and materials fee will apply	
Staff monitoring of conditions of project approval	No limit to cost of time and materials charged in addition to initial fee	Limit established equal to the initial fee	
Staff review and advice on policy and code compliance prior to application	No limit	Limit established of \$1,000, unless an estimate is provided	
Written determination by the Zoning Administrator	No limit	Limit established of \$1,000, unless an estimate is provided	

Application or Action	Current Code	Proposed Change	Additional Change
Conditional Use & Coastal Zone permit applications for projects with no construction costs	\$1,000 plus time and materials	Limit established on time and materials of two times fee unless estimate given	Time and materials estimates provided for projects exceeding the limit
Conditional Use permit and one of a number of types of applications requested together	Applicants are charged 50% of the normal cost for the additional application, plus time and materials cost	Adding permit to alter a building contributory to a historic district to the list of applications covered	Establish a limit on time and materials cost equal to the full fee paid for the conditional use permit
Minor project modifications review	\$750 plus time and materials cost	\$800 plus time and materials	Establish a limit of \$1,000 for the total fee, unless an estimate is provided
Review of Institutional Master Plan (IMP) or abbreviated IMP	No limit on time and materials cost	Establish a limit on time and materials cost of three times the initial fee paid, unless an estimate is provided	
Master Plan referrals	Time and materials cost	Add a minimum of \$214 for each three hours of staff time or fraction thereof	Establish a limit of \$1,500 for the total fee, unless an estimate is provided
Alteration of a significant building within a Conservation District in Downtown	Fees set by a schedule based on the construction cost of the project	Fees set by a schedule used elsewhere in the code, with fees from \$200 to \$27,670, plus time and materials	Establish a limit on time and materials of two times the initial fee for projects with initial fee of \$27,670
Building permit application for a project with no construction cost	Existing fee of \$190, plus time and materials with no limit	Establish a limit on time and materials of five times the initial fee, unless an estimate is provided	
Approval of replacement of doors and windows	Regular fee for a building permit, based on construction cost	Fee reduced to 50% of the regular fee that would apply based on construction	

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Application or Action	Current Code	Proposed Change	Additional Change
Back-checking of permit revisions	Fee is \$71 per hour	Establish a limit of \$1,000 unless an estimate is provided	Estimates to be provided for projects where cost would exceed \$1,000
Fire, Police and Health Department permit application review	Initial fee, and no limit on time and materials cost	Establish a limit on time and materials cost of five times the initial fee	
Landmark Preservation Applications	Fee of \$250 for first four hours, plus time and materials in excess of four hours	Increase to \$285 for first four hours, plus time and materials	Limit on time and materials cost of five times the initial fee of \$285
Transportation Study	Fee is \$5,680 plus time and materials without limit	Establish a limit on time and materials of two times the initial fee unless an estimate is provided	Estimates to be provided for projects where time and materials cost exceed two times the initial fee
Review of significant revisions to conditional use, variance, or coastal zone permit application already on file	Code does not address this type of review	Applicants to be charged the full cost of time and materials in excess of the initial fee paid	Limit of three times the initial fee paid
Discretionary review Request of Commission for public hearing on permit applications	Fee of \$125	Fee of \$346, plus time and materials in excess of fee	Limit on time and materials cost of five times the initial fee
City agency request for project review	Fee set by schedule based on construction cost of the project	City agencies' initial fees will be capped at the fee for projects with construction costs of \$5 million for Commission applications and \$10 million for building permits	Limit on time and materials cost of three times the initial fee

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Application or Action	Current Code	Proposed Change	Additional Change
Zoning Administrator's determination related to service station conversion	Fee of \$300	Establish a fee of \$600 plus time and materials cost	Limit on time and materials cost of two times the initial fee, unless an estimate is provided
Fee for substantial alteration or demolition of a building requiring review by the Landmark Preservation Advisory Board	Code has fee of \$710 for first ten hours or fraction of staff time, plus time and materials for demolition applications, and does not address alterations	Eliminate the \$710 fee, and set a fee of \$285 for the first four hours or fraction of staff time, plus time and materials	Limit on time and materials cost of five times the initial fee unless an estimate is provided

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Comments:

1. As described above, the proposed ordinance would extend for one year a temporary surcharge which the Department has applied to all fees in order to provide funds for computerization of application processes. The proposed surcharge would expire automatically on June 30, 1996, and renewal after that date would require action by the Board of Supervisors. A budget for the approximately \$323,000 in total funds that will be generated by this surcharge must be reviewed and approved by the Board of Supervisors as part of the FY 1995-96 budget process. As noted above, FY 1995-96 will be the final year that the Department will fund computerization through this surcharge, according to Mr. Bash.
2. Mr. Bash reports that the changes proposed in the ordinance will make the fees under the Planning Code more accurately reflect and recover the City's actual costs for reviewing, processing and approving applications and other actions.
3. Where the Code calls for the Department to provide an estimate to applicants, such estimate will be provided without cost. Hourly rates to be used in such estimates will depend on the billing rate of the staff to be assigned to the project.
4. Mr. Bash reports that the Department does not anticipate that the fee changes under the proposed ordinance will significantly affect the amount of revenues collected by the City from such fees. In FY 1994-95, the Department projects that they will collect a total, net of the surcharge noted above, of \$3,795,000 in fees.
5. Mr. Bash notes that where fees are going up, such as in the request for discretionary Commission review of a permit, and in the application for Historic Landmark status, the increased fees would be expected to slightly decrease the number of those types of applications.
6. According to Mr. Bash, the changes in fees under the proposed ordinance are in order to make the cost of applications and reports more predictable, consistent, and fair for all applicants. Mr. Bash reports that in the cases where the proposed ordinance establishes a new limit on the cost of time and materials that may be charged to applicants, in most cases the cost of time and materials would not reach the limit set. These limits are being proposed in order to give applicants a clear limit on the potential cost to process an application, and should not significantly affect the Department's ability to cover its costs.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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Item 9 - File 12-95-24.1

1. This item is a request for a hearing to consider seeking a change in State law to permit San Francisco to directly tax banks, savings and loan associations and insurance companies instead of receiving an in-lieu payment from the State of California.

2. State law currently exempts banks, savings and loan associations and insurance companies from the payment of local taxes. Instead, the banks and savings and loan associations pay a State Bank Tax and the insurance companies pay a State Premiums Tax "in-lieu" of the City's Payroll/Gross Receipts Tax and Unsecured Property Tax. The proposed hearing would be to consider authorizing the City's State lobbyist to advocate for State legislation that would permit the City to impose local taxes on banks, savings and loan associations and insurance companies, by repealing the current State taxes payable by banks, savings and loan associations and insurance companies.

3. According to Mr. George Ramsey of the State Franchise Tax Board, as a result of a change in State law in 1978, the State no longer makes in-lieu payments to cities from the revenues that the State collects through the State Bank Tax and the State Premiums Tax.

4. Currently, businesses subject to the City's Payroll/Gross Receipts Tax must pay the higher of either 1.5 percent of their total payroll or, for most businesses, \$3.00 per \$1,000 of gross receipts (0.3 percent), except for businesses with a calculated tax liability of \$2,500 or less which are exempt from this tax. In addition, businesses subject to the City's Unsecured Property Tax must pay \$1.15 for every \$100 of property value (1.15 percent).

5. The Franchise Tax Board reports that the current State Bank Tax is two percent of net income. Based on data provided by the Franchise Tax Board, San Francisco could be eligible to receive approximately \$4.9 million in Gross Receipts Tax revenues per year if the City were able to tax banks and savings and loan associations directly.

6. The State Board of Equalization (BOE) reports that the State Premiums Tax is 2.35 percent of gross premiums. Based on data provided by the Franchise Tax Board, San Francisco could be eligible to receive approximately \$3.7 million in Gross Receipts Tax revenues per year if the City were able to tax insurance companies directly.

7. As of the writing of this report, it was not possible to determine the potential revenue that could accrue to the City resulting from the imposition of the City's Unsecured Property Tax on banks, savings and loan associations and insurance companies.

8. Currently, under State law, all counties impose an Unsecured Property Tax at the rate of at least \$1.00 for every \$100 of property value (1.0 percent), plus an additional percentage to account for bonded indebtedness. In addition, according

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to the Tax Collector's Office, while several other municipalities in California besides San Francisco impose a Gross Receipts Tax, the rates vary from municipality to municipality. The Tax Collector's Office advises that few other municipalities in California have a Payroll Tax, as San Francisco does. It is uncertain whether banks, savings and loan associations and insurance companies would transfer their operations to areas outside of San Francisco to avoid the City's Gross Receipts/Payroll Tax and Unsecured Property Tax, or whether other municipalities would impose a Gross Receipts/Payroll Tax and Unsecured Property Tax on banks, savings and loan associations and insurance companies at rates comparable to San Francisco.

Item 10 - File 161-95-3

Department: San Francisco Redevelopment Agency (SFRA)

Item: Hearing to consider the San Francisco Redevelopment Agency's quarterly financial performance report for the quarter ending December 31, 1994, in compliance with Condition No. 3 of Resolution No. 330-94

Description: The Board of Supervisors approved Resolution No. 330-94 in April of 1994, requiring that the Redevelopment Agency provide a quarterly report to the Board of Supervisors on the Agency's fiscal condition and performance and on temporary personnel assignments that have been extended, or may be extended, beyond six months. Resolution No. 330-94 also requires that periodic public hearings be held by the Board of Supervisors to consider the status of all Redevelopment Agency programs. The first such quarterly report, dated October 4, 1994, submitted by the SFRA to the Board of Supervisors, covers the SFRA's entire fiscal year 1993-94 budget and programs.

The first quarter report for fiscal year 1994-95 was submitted by the SFRA to the Board of Supervisors on December 20, 1994. The subject quarterly report is for the second quarter of fiscal year 1994-95 and is organized as follows:

1. A section consisting of 17 pages showing the project name, work item description, line-item explanation, status/comments, approved budget, actual expenditure, encumbered expenditure, and remaining expenditure amounts for the second quarter of fiscal year 1994-95 for the programs/projects as shown below:

Yerba Buena Center
Rincon Point - South Beach
Hunters Point
India Basin
Western Addition
South Bayshore
Hunters Point Shipyard
South of Market
Citywide Housing Program
South Beach Harbor
Central Relocation Services
Economic Development
Arts Center and Gardens
Federal Office Building
Golden Gateway

BOARD OF SUPERVISORS
BUDGET ANALYST

Treasure Island
Transbay Terminal

2. A one page financial summary is included of budgeted versus actual expenditures for each program or project with the exceptions of South Bayshore and Central Relocation Services. In addition, such financial information is included for the Redevelopment Agency's Personnel and Administration Divisions.

3. Also included is a single paragraph report on temporary employments exceeding six months in duration.

Comments:

1. The Budget Analyst previously made a number of recommendations concerning the content and format of the SFRA's quarterly financial reports. Mr. Clifford Graves, Executive Director of the Redevelopment Agency, reported that he concurred with the reporting changes recommended by the Budget Analyst.

2. Attached to this report are three formats suggested by the Budget Analyst that could serve as the basis for the SFRA's submission of its quarterly reports to the Board of Supervisors. The format shown as Attachment I (Project Status), which is the most essential format, combines project/program cost, funding, schedule, and performance information in a concise manner. The format shown as Attachment II (Status of Projects) provides a history of the essential elements of information reported on in Attachment I for all projects/programs, thus providing accountability for previous reporting. Attachment III (Financial Summary) is a format for reporting on financial and budgetary information.

3. With respect to the content and formatting of the SFRA's second quarter report for fiscal year 1994-95, the report does not show the initiated project date, scheduled completion date, original cost estimate, current cost estimate, funding source, project description, key personnel, and operating vs. capital costs for each project.

4. The SFRA reports that they have attempted to implement the Budget Analyst's recommendations regarding format and content. In the opinion of the Budget Analyst, the SFRA's second quarter report for fiscal year 1994-95 does not fully incorporate all of the suggestions in the three attachments. Modifying the formats of the SFRA quarterly reports to fully reflect the recommendations of the Budget Analyst in the three attachments would provide the Board of Supervisors

with a more complete and full disclosure of SFRA's projects and the related pertinent financial data.

5. Regarding the SFRA budgeted versus actual expenditures for the FY 1994-95 second quarter report, it should be noted that the following expenditures, including encumbrances have been incurred against the revised FY 1994-95 budgets for the projects shown below:

<u>Project</u>	<u>Revised FY 1994-95 Budget</u>	<u>Expended and Encumbered</u>
Yerba Buena	\$ 56,284,000	\$ 749,386
Rincon Point	3,024,000	114,891
Hunters Point	2,515,000	114,070
India Basin	292,000	0
Western Addition	8,416,000	222,927
South Bayshore	0	0
Hunters Point Shipyard	2,135,464	129,750
South of Market	5,075,000	71,308
Citywide Housing *	15,368,000	3,321,407
South Beach Harbor	2,815,000	2,095,618
Central Relocation	0	0
Economic Development	1,832,000	889,786
Arts Center and Gardens	5,090,000	4,640,971
Federal Office Building	2,210,000	0
Golden Gateway	450,000	16,403
Treasure Island	892,027	268,302
Trans Bay Terminal	400,000	0
Personnel and Admin.	<u>9,151,092</u>	<u>4,549,891</u>
Totals	\$115,949,583	\$17,184,710

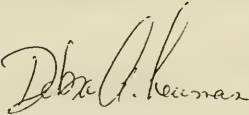
* Includes Housing Opportunities for People with AIDS (HOPWA)

6. As reported by the SFRA, only \$17,184,710 of the \$115,949,583 or approximately 15 percent of the available budget for FY 1994-95 for the projects shown has been expended or encumbered as of the end of the second quarter of FY 1994-95. Mr. Gamble reports that an expenditure rate of 15 percent is normal for the second quarter of the fiscal year, considering that a significant portion of the budgeted FY 1994-95 funds are for multi-year capital projects whose balance will be carried over into the next fiscal year.

7. Regarding temporary personnel assignments that have extended, or may be extended beyond six months, the SFRA reports that one temporary Attorney I being used primarily

Memo to Budget Committee
May 10, 1995 Budget Committee Meeting

to assist in the setup of the Housing Opportunities for People with AIDS Program (HOPWA) and one temporary part-time Data Processing Assistant are anticipated to continue their temporary assignments through FY 1994-95.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

PROJECT STATUS

Quarter/FY

TITLE:	
DATE PROJECT INITIATED:	PROJECT DESCRIPTION
SCHEDULED COMPLETION DATE:	
ORIGINAL COST ESTIMATE	
CURRENT COST ESTIMATE:	
FUNDING SOURCE:	

[illegible]

Milestones

[illegible]

Project Highlights

Project Highlights

STATUS OF PROJECTS

PROJECT	FY 1994-95				FY 1995-96				FY 1996-97			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
S												
C												
F												
P												
S												
C												
F												
P												
S												
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F												
P												
S												
C												
F												
P												
S= SCHEDULE C= COST F= FUNDING P= PERFORMANCE (SERVICE LEVEL)												

FINANCIAL SUMMARY
FY 199_-9_
_ QUARTER

Budget

Original: \$
Revised: \$

Cumulative Expenditures

Project Costs	Operating	Capital	Total
Yerba Buena Center			
Rincon Point - South Beach			
South of Market			
Ease Conversion - Treasure Island			
...			
Hunters Point			
Western Addition			
India Basin Industrial Park			
Total			
Overhead Costs	Operating	Capital	Total
Personal Services			
Non-Personal Services			
Equipment/Capital Outlay			
Interdepartmental Services			
Total			
Grand Total			

SF
\$90.07
#2
5/17/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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AUG 27 1996

SAN FRANCISCO
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WEDNESDAY, MAY 17, 1995 - 1:00 P.M.

ROOM 410, WAR MEMORIAL BLDG.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:12 P.M.

FISCAL ITEMS

1. File 101-94-98. [Appropriation - Municipal Railway] Ordinance appropriating \$8,859,766 to the Municipal Railway to offset shortfalls in passenger fare revenues, claims and judgements, materials and supplies, workers compensation and services to City Attorney, funded from General Reserve (\$5,259,766), Transit Impact Development Fund (\$2,100,000) and San Francisco County Transportation Authority (\$1,500,000) for fiscal year 1994-95; subject of previous budgetary denial and providing for ratification of action previously taken. (Public Transportation Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Phil Adams, General Manager, Transportation Department; Teresa Serate, Budget Director, Office of the Mayor. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

2. File 101-94-102. [Appropriation - Department of Public Health-Mental Health] Ordinance appropriating \$1,138,290 of Medi-Cal revenue to medical services contracts to allow the Department of Public Health-Mental Health to expand drug Medi-Cal Eligible Substance Abuse Programs for fiscal year 1994-95. Providing for ratification of action previously taken. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Monique Zmuda, Department of Public Health/Mental Health. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

FEES

3. File 97-95-26. [Assessment Appeals Board] Ordinance amending Administrative Code 2B of the San Francisco Administrative Code by amending Section 2B.9 thereto to waive the filing fee for an application for reduction of assessment where the application is accompanied by a stipulation with the Assessor and the application is filed after the Assessment Appeals Board has reduced the assessment for a prior tax year, amending Section 2B.10 to allow refund of only half of the hearing fee where the applicant prevails and obtains a reduction from the Assessment Appeals Board, amending Section 2B.12 to allow the Board of Supervisors to create a third Assessment Appeals Board where necessary to provide timely Assessment Appeal hearings, amending Section 2B.13 to allow Assessment Appeals Boards Nos. 2 and 3 to hear appeals involving property of any type on the secured or unsecured roll assessed at \$30,000,000 or less, and amending Section 2B.18 to require the Assessment Appeals Board to accept recommendations of hearing officers as to which there is no timely objection. (Clerk of the Board)

(Consideration Continued from 5/10/95)

SPEAKERS: None.

ACTION: AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY SUPERVISOR KAUFMAN. AMENDMENT OF THE WHOLE ADOPTED. CONSIDERATION CONTINUED TO MAY 24, 1995, MEETING. AMENDED TITLE: "Amending Chapter 2B of the San Francisco Administrative Code by amending Section 2B.9 thereto to waive the filing fee for an application for reduction of assessment where the application is accompanied by a stipulation with the Assessor and the application is filed after the Assessment Appeals Board has reduced the assessment for a prior tax year, amending Section 2B.10 to allow refund of only half of the hearing fee where the applicant prevails and obtains a reduction from the Assessment Appeals Board, amending Section 2B.13 to allow Assessment Appeals Board No. 2 to hear appeals involving property of any type on the Secured or Unsecured Roll assessed at \$20,000,000 or less, excluding properties in certain designated Assessor's Blocks and possessory interests, and amending Section 2B.18 to require the Assessment Appeals Board to accept recommendations of hearing officers as to which there is no timely objection."

VOTE: 3-0.

HEARINGS

4. File 12-95-24.1. [Taxes on Banks/Insurance Companies] Hearing to consider seeking a change in State law to permit San Francisco to directly tax banks and insurance companies instead of receiving in lieu payments from the State of California. (Supervisor Ammiano)

(Consideration Continued from 5/10/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Joseph van es Ballesteros, representing Supervisor Tom Ammiano; Harvey Rose, Budget Analyst; Ed Harrington, Controller. IN SUPPORT: Mark Martin, San Franciscans for Tax Justice; Dale Butler, Local 250; Andy Secida, Senior Action Network; Salmen Goos, Haight/Ashbury Council; Rosa Simpson, Gray Panthers; Robert Laman. PARTIAL SUPPORT: Steve Nessler, California Banker's Association. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

5. File 165-95-4.1. [Tax Collector Audit] Hearing to consider the findings and recommendations contained in the Budget Analyst's Audit dated April 1995 on the Tax Collector's Office. (Supervisor Hsieh)

SPEAKERS: Harvey Rose, Budget Analyst; Debra Newman, Budget Analyst; Richard Sullivan, Tax Collector; Carl Frieman, Director, Animal Care and Control Department. IN SUPPORT: Lynda Treadway, Municipal Resource Consultants; David Barlow, United Taxicab Workers. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

TIME MEETING ADJOURNED: 3:55 P.M.

CITY AND COUNTY



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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 12, 1995

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: May 17, 1995 Budget Committee Meeting

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MAY 19 1995

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Item 1 - File 101-94-98

Department: Public Transportation Commission (PTC)
Municipal Railway (MUNI)

Item: Supplemental appropriation ordinance appropriating \$8,859,766 to the Municipal Railway (MUNI) to offset shortfalls in passenger fare revenues, judgments and claims, materials and supplies, workers compensation and services of the City Attorney, funded from the General Fund Reserve (\$5,259,766), Transit Impact Development Funds (\$2,100,000) and the San Francisco County Transportation Authority (\$1,500,000); the subject of previous budgetary denial and providing for ratification of action previously taken.

Amount and Source of Funds:		
	General Fund Reserve	\$5,259,766
	Transit Impact Development Funds	2,100,000
	San Francisco County Transportation Authority	<u>1,500,000</u>
	Total	\$8,859,766

Description: The proposed supplemental appropriation ordinance would appropriate funding in order to offset a projected funding shortfall in the Municipal Railway's (MUNI) FY 1994-95 budget resulting from (a) a shortfall in projected passenger

fare revenues and (b) overspending in four expenditure categories, as follows:

Shortfall in Passenger Fare Revenues \$3,683,766

Budget Deficiencies in:

Judgments and Claims	1,100,000
Materials and Supplies	1,500,000
Workers Compensation	2,110,000
Services of the City Attorney	<u>466,000</u>
Total	\$8,859,766

These projected shortfalls are described in detail below.

Shortfall in Passenger Fare Revenues (\$3,683,766)

MUNI originally projected a shortfall in passenger fare revenues of approximately \$3.7 million for FY 1994-95. According to MUNI, this shortfall is primarily due to a reduction in Fast Pass sales, cable car revenues, discount fare revenues and Youth Pass sales. The proposed ordinance would offset the projected \$3,683,766 shortfall in passenger fare revenues with \$3,683,766 in General Fund Reserve monies, to be appropriated to MUNI's Operating Fund.

The table below shows MUNI's estimated shortfall in passenger fare revenues for FY 1994-95, as of April 1, 1995:

FY 1994-95 <u>Budget</u>	Actual Revenues <u>7/1/94 - 3/31/95</u>	Projected Revenues <u>4/1/95 - 6/30/95</u>	Total Estimated <u>Shortfall</u>
\$93,998,438	\$67,855,852	\$22,739,569	\$3,403,017

As reflected in the table above, although the projected revenue shortfall is \$3,403,017, the supplemental request for passenger fares is \$3,683,766, or \$280,749 more than the projected revenue shortfall (See Comment No. 5).

Judgments and Claims (\$1,100,000)

MUNI's current year budget for judgments and claims is \$7,512,000. As of March 31, 1995, MUNI had already expended \$7,278,609 (97 percent) of its judgments and claims budget.

The table below, based on data provided by MUNI, shows a summary of the estimated budget deficiency in MUNI's judgments and claims budget for FY 1994-95:

Memo to Budget Committee
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<u>Description</u>	<u>Number</u>	<u>Amount</u>
Claims already paid through 3/31/95	1,121	\$7,278,609
Unpaid settled claims to be paid between 4/1/95 and 6/30/95	350	1,725,040
Unpaid claims awaiting approval for payment	5	181,136
Estimated amount of other pending claims*	<u>175</u>	<u>643,650</u>
Total 1994-95 Claims Paid or Pending	1,651	\$9,828,435
Less:		
1994-95 Budget for Judgments and Claims		<u>(7,512,000)</u>
Estimated Shortfall in Judgments and Claims		\$2,316,435

* The City Attorney's Office advises that this estimate, as prepared by MUNI, appears low. As of the writing of this report, the City Attorney's Office could not provide an estimate of the amount that may actually be needed for pending claims.

As reflected in the table above, although the projected budget deficiency is \$2,316,435, the supplemental request for judgments and claims is only \$1,100,000, thereby leaving a remaining budget deficiency of \$1,216,435 (See Comment No. 5).

Materials and Supplies (\$1,500,000)

Although MUNI's Maintenance Division spent approximately \$12.3 million for materials and supplies in FY 1993-94, the Maintenance Division's FY 1994-95 budget for materials and supplies was only \$10.8 million, as recommended by the Mayor's Office. As a result, MUNI's Maintenance Division originally projected a \$1.5 million deficit in its materials and supplies budget for FY 1994-95. According to Mr. Fred Howell of MUNI, the appropriation of the requested funds would permit MUNI to continue materials and supplies purchasing, thereby preventing further delays in bus repair.

This request for \$1.5 million, to be funded by a grant from the San Francisco County Transportation Authority, would be used to purchase parts for (a) Light Rail Vehicles (\$1,097,000), (b) diesel buses (\$305,000) and (c) trolley buses (\$98,000).

The table below shows the estimated budget deficiency in MUNI's total materials and supplies budget for FY 1994-95, based on MUNI's anticipated need for vehicle parts from May 1, 1995 through June 30, 1995:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
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<u>FY 1994-95 Budget</u>	<u>Actual Expenditures 7/1/94 - 4/30/95</u>	<u>Projected Expenditures 5/1/95 - 6/30/95</u>	<u>Total Estimated Shortfall</u>
\$17,046,706	\$17,194,039	\$1,830,161	\$1,977,494

As reflected in the table above, although the projected budget deficiency is \$1,977,494, the supplemental request for materials and supplies is only \$1,500,000, thereby leaving a remaining budget deficiency of \$477,494 (See Comment No. 5).

Workers Compensation (\$2,110,000)

Despite a declining number of workers compensation claims, MUNI is projecting a shortfall of \$2,110,000 in its workers compensation budget. MUNI advises that this overspending is due in part to (a) a 21 percent increase in the statutory temporary disability rate from \$336 to \$406 per week imposed by the California Legislature and (b) an increase in the average payment from \$5,148 per claim in 1993-94 to \$7,535 per claim in FY 1994-95.

The table below, based on data provided by MUNI, shows a summary of the estimated budget deficiency in MUNI's workers compensation budget for FY 1994-95:

<u>Description</u>	<u>Number</u>	<u>Amount</u>
Claims already paid through 3/31/95	892	\$6,719,768
Unpaid settled claims to be paid between 4/1/95 and 6/30/95	<u>297</u>	<u>2,239,923</u>
Total 1994-95 Claims Paid or Pending	1,189	\$8,959,691
Less:		
1994-95 Budget for Workers Compensation		<u>(6,371,789)</u>
Estimated Shortfall in Workers Compensation		\$2,587,902

As reflected in the table above, although the projected budget deficiency is \$2,587,902, the supplemental request for workers compensation is only \$2,110,000, thereby leaving a remaining budget deficiency of \$477,902 (See Comment No. 5).

During the FY 1994-95 budget review, the Budget Analyst estimated that the overall General Fund budget for workers compensation, as submitted by the Mayor's Office, was underbudgeted by \$2.9 million.

BOARD OF SUPERVISORS
BUDGET ANALYST

Services of the City Attorney (\$466,000)

The City Attorney provides services to MUNI related to claims, judgments and other legal matters. According to Mr. Howell, MUNI originally projected a shortfall of \$466,000 in this expenditure category because this account has historically been underbudgeted by the Mayor's Office.

The average hourly rates for the City Attorney's Office range from \$100 to \$112 per hour, which provide for attorneys' salaries and fringe benefits and for overhead expenses. The City Attorney's Office advises that approximately 40 attorneys are involved in general litigation for MUNI. This supplemental request of \$466,000 would provide between 4,161 and 4,660 hours of service from the City Attorney's Office over an approximately six-week period (from May 23, 1995 through June 30, 1995).

The table below shows the estimated funding shortfall for services of the City Attorney's Office for FY 1994-95, based on data provided by the City Attorney's Office:

FY 1994-95 <u>Budget</u>	Actual Expenditures <u>7/1/94 - 3/31/95</u>	Projected Expenditures <u>4/1/95 - 6/30/95</u>	Total Estimated <u>Shortfall</u>
\$2,356,040	\$2,131,486	\$710,495	\$485,941

As reflected in the table above, although the projected budget deficiency is \$485,941, the supplemental request for services of the City Attorney's Office is only \$466,000, thereby leaving a remaining budget deficiency of \$19,941 (See Comment No. 5).

Comments:

1. MUNI has applied for a \$1.5 million grant from the San Francisco County Transportation Authority to finance the Maintenance Division's projected deficit in materials and supplies for FY 1994-95. MUNI advises that this grant application has received approval from the Transportation Authority.

2. MUNI has identified \$2.1 million in surplus Transit Impact Development Funds available from the Woods Project that could be used to offset MUNI's projected funding shortfall. The Woods Project involved the purchase of Port property to accommodate various maintenance functions. However, because the Port property was not available for acquisition, MUNI instead acquired property at 700 Pennsylvania Street to accommodate those maintenance functions, leaving a surplus of approximately \$2.1 million for the Woods Project. As such, according to Mr. Howell, this

\$2.1 million in Transit Impact Development Funds originally earmarked for the Woods Project is no longer needed and can instead be used to partially offset MUNI's projected operating deficit for FY 1994-95.¹ The transfer of these funds from the Woods Project to MUNI's operating budget was approved by the Public Transportation Commission at its meeting of February 14, 1995.

3. According to Mr. Howell, expenditures have been incurred against the proposed supplemental appropriation for workers compensation, judgments and claims and materials and supplies. As such, the proposed ordinance provides for ratification of action previously taken.

4. The funds being requested in this supplemental appropriation ordinance were previously denied by the Mayor's Office during the FY 1994-95 budget process. As such, the approval of this supplemental appropriation ordinance would require two-thirds vote by the Board of Supervisors.

5. Based on the most recent projected passenger fare revenues shortfall of \$3,403,017, the Budget Analyst notes that the supplemental request for passenger fare revenues of \$3,683,766 could be reduced by \$280,749 to \$3,403,017. However, even with the proposed supplemental appropriation ordinance of \$8,859,766, MUNI still faces a projected budget deficiency of \$2,191,772 in (a) judgments and claims (\$1,216,435), (b) materials and supplies (\$477,494), (c) workers compensation (\$477,902) and (d) services of the City Attorney's Office (\$19,941).

As such, at the request of MUNI, the Budget Analyst recommends, subject to the approval by the Mayor, that this surplus request in passenger fare revenues of \$280,749, as determined by the Budget Analyst, be used to partially offset MUNI's projected budget deficiency of \$1,216,435 in judgments and claims. MUNI advises that the remaining projected budget deficiency in judgments and claims of \$935,686 (\$1,216,435 less \$280,749) would be carried forward and paid by the FY 1995-96 budget.

6. Mr. Richard Hillis of the Mayor's Office advises that the Mayor's Office concurs with the Budget Analyst's recommendation to reduce MUNI's request for Passenger Fare Revenues by \$280,749 and to use such funds for the

¹ According to Mr. Howell, Transit Impact Development Funds may be used for both capital and operating expenses.

purpose of increasing MUNI's request for Judgements and Claims by \$280,749, in order partially offset MUNI's projected deficit in this account of \$1,216,435. Mr. Hillis advises that the Mayor's Office will prepare a letter to the Controller's Office requesting that the proposed supplemental appropriation request be amended to reflect the \$280,769 reduction in Passenger Fare Revenues and the increase by \$280,769 in the Judgements and Claims account.

7. Mr. Howell advises that, with respect to the remaining projected deficiencies in materials and supplies, workers compensation and services of the City Attorney's Office of \$975,337, MUNI will attempt to absorb these projected budget deficiencies within its existing budget. However, according to Mr. Howell, any remaining budget deficiencies in these three accounts at the end of FY 1994-95 would be carried forward to the FY 1995-96 budget.

8. In summary, the Budget Analyst recommends the following changes to the proposed supplemental appropriation ordinance:

<u>Category</u>	<u>Supplemental Appropriation Supplemental</u>	<u>Amount Recommended by Budget Analyst</u>	<u>Budget Analyst's Recommended Change</u>
Passenger Fare Revenues	\$3,683,766	\$3,403,017	(\$280,749)
Judgments and Claims	1,100,000	1,380,749	280,749
Materials and Supplies	1,500,000	1,500,000	0
Workers Compensation	2,110,000	2,110,000	0
City Attorney Services	<u>466,000</u>	<u>466,000</u>	<u>0</u>
Total	\$8,859,766	\$8,859,766	\$0

Recommendations: 1. Reduce the supplemental appropriation request for Passenger Fare Revenues by \$280,749, the amount of surplus as determined by the Budget Analyst, and increase the supplemental appropriation request for Judgments and Claims by \$280,749, in accordance with the table above, subject to the approval of the Mayor's Office.

2. Approve the proposed supplemental appropriation ordinance, as amended.

Item 2 - File 101-94-102

Department: Department of Public Health

Item: Ordinance appropriating \$1,138,290 of Medi-Cal revenue to medical services contracts to allow the Department of Public Health to expand Drug Medi-Cal eligible substance abuse programs for Fiscal Year 1994-95. Providing for ratification of action previously taken.

Amount: \$1,138,290

Source of Funds: Federal funds, through State Medi-Cal reimbursement

Description: The proposed ordinance would appropriate \$1,138,290 in Medi-Cal revenues for substance abuse programs for the period April 1, 1995 through June 30, 1995. The funds to be appropriated by this ordinance would be used to fund expanded substance abuse services including methadone maintenance, outpatient day treatment, and residential treatment programs provided by 14 non-profit organizations currently under contract to the Department of Public Health (DPH).

The requested \$1,138,290 is available from the Federal government, through the State, and represents the Federal government's share of the costs of Medi-Cal services. The State matching fund portion of these funds has already been appropriated to the Department of Public Health's FY 1994-95 budget. There are no City matching funds required, as the cost of these programs is shared 50/50 by the State and Federal governments.

The expanded substance abuse programs funded under the proposed ordinance are in accordance with a court order under the *Sobky vs. Smoley* lawsuit, which requires that the State make methadone treatment available on demand to Medi-Cal-eligible clients. The State has interpreted this court order to mean that other Drug Medi-Cal services normally reimbursed by Medi-Cal must also be available. As such, the proposed appropriation would fund not only methadone maintenance, but a variety of drug and alcohol treatment programs.

All of the providers receiving this funding have current contracts with DPH which determine rates and other conditions of providing Medi-Cal substance abuse services. Because of delays by the State in transferring Federal funds to the City, DPH has already been billed by providers for these services. As such, the ordinance provides for ratification of action previously taken.

Memo to Budget Committee
May 17, 1995 Budget Committee Meeting

The Federal funds dedicated to these programs through Drug Medi-Cal in FY 1994-95 are as follows:

Provider	Original FY 1994-95 Budget	Increase in FY 1994-95 Budget	Total Amount	Increased Services to be Provided*
Bay Area Addiction, Research & Treatment (BAART)	\$1,780,177	\$879,145	\$2,659,322	Methadone; 117,690 units 632 Clients
Bayview Hunter's Point Methadone Maintenance	355,420	20,420	375,840	Methadone; 2,734 units, 15 clients
Haight Ashbury Free Clinics	371,368	63,632	435,000	Outpatient detox; 1,178 units, 50 clients
IRIS Center	181,882	21,275	203,157	Outpatient & day treatment; 536 units, 30 women
UCSF SFGH Substance Abuse PACE Program	23,358	5,000	28,358	Methadone; 680 units, 4 clients
UCSF SFGH Substance Abuse Ward 93 Methadone Clinic	384,800	14,800	399,600	Methadone; 1,982 units, 12 clients
Walden House/Day Treatment Adolescent Aftercare	200,200	72,800	273,000	Outpatient aftercare; 1,120 units, 32 clients
Westside Methadone and Inner City Treatment Programs	472,560	37,200	509,760	Methadone & outpatient; 3,295 units, 28 clients
Women's Alcoholism Center Aviva House/Lee Woodward Center	128,397	24,018	152,415	Residential units; 241 Outpatient units; 284, 15 women and children
Totals	\$3,898,162	\$1,138,290	\$5,036,452	

* The number of treatment units available in the programs listed above are based on DPH's estimate of the need for various substance abuse programs. The Department is currently analyzing the actual usage of these programs, and will use this information to shift funds among Medi-Cal eligible programs to meet the demand.

Comments:

1. According to Mr. Jim Stillwell of the DPH, prior to the *Sobky vs. Smoley* court order, the City was able to use some discretion in determining how much of its State General Fund grant for drug and alcohol programs was used to match Federal funds in the Medi-Cal program, and in that way cap the amount of Drug Medi-Cal services which were available. Prior to *Sobky vs. Smoley*, the amount of the State grant used for these services was approximately \$1.35 million out of a total annual grant of approximately \$3.3 million, or 40 percent of the State grant. Under the court order, in future fiscal years, virtually all of the City's annual State General Fund grant for drug and alcohol programs will have to be used to match Federal funds and provide Drug Medi-Cal services. As such, the State General Fund grant monies will not be available for the Department's other drug and alcohol programs that serve clients who are not eligible for Medi-Cal.

2. Because State General Fund monies will not be available in FY 1995-96 for non Medi-Cal-eligible drug and alcohol programs, the Department is; a) working with providers of the other programs to get them certified to take Medi-Cal clients, b) working with clients to ensure that all Medi-Cal-eligible individuals successfully register for Medi-Cal benefits, and, c) analyzing client populations and waiting lists to insure that Medi-Cal recipients are using only Medi-Cal funded treatment slots. Mr. Stillwell estimates that by the end of FY 1994-95, one-half to three-fourths of the treatment slots lost because State General Fund monies are not available will be replaced by increased Medi-Cal program and client eligibility through the efforts described above. The remaining treatment slots will either have to be absorbed under the Department's City General Fund budget, or discontinued in FY 1995-96, according to Mr. Stillwell. Because many different funding sources in FY 1995-96 will affect these programs, the Department has not yet determined exactly what level of treatment services will be available.

Recommendation: Approve the proposed ordinance.

Item 3 - File 97-95-26

NOTE: This item was continued at the May 10, 1995 Budget Committee meeting.

Department: Assessment Appeals Board (AAB)

Item: Ordinance amending Chapter 2B of the San Francisco Administrative Code by amending (1) Section 2B.9 to waive the filing fee for an application for a reduction in assessment in certain cases, (2) Section 2B.10 to allow the refund of only half the hearing fee if certain reductions in assessment are granted, (3) Section 2B.13 to allow Assessment Appeals Boards No. 2 to hear appeals involving property of any type of \$20,000,000 or less except in certain designated areas and (4) Section 2B.18 to require the Assessment Appeals Board to accept the recommendations of hearing officers.

Description: An Amendment of the Whole to the proposed ordinance has been drafted and will be introduced at the Budget Committee meeting on May 17, 1995. This report reflects the Amendment of the Whole.

The Assessment Appeals Board (AAB) hears appeals from property owners who dispute assessments of property value arrived at by the Assessor's Office, and the resulting tax liability. Currently, two Assessment Appeals Boards, of three members each, exist. Members are selected by the Board of Supervisors from applicants involved in related fields.

Ms. Marilyn Cosentino of the AAB advises that the severe downturn in San Francisco real estate values and limited reductions in assessment by the Assessor have contributed to a sharp rise in appeals to the AAB since 1993, delaying the hearing of appeals and resulting in a severe backlog of cases. Ms. Cosentino further advises that State law provides that the taxpayer's opinion of value will prevail if an appeal is not decided within two years of filing, resulting in the possibility of a sharp fall in revenue to the City.

The proposed ordinance would amend Chapter 2B of the San Francisco Administrative Code as follows:

Section 2B.9

Currently, Section 2B.9 of the Administrative Code allows the waiver of the filing fee of \$30.00 for an application to the AAB only in indigent cases, in accordance with State law (California Government Code Section 68511.3). The proposed ordinance would add waivers of the filing fee for applications

for which (1) the Assessor has recommended a reduced assessment in a written stipulation with the agreement of the City Attorney and the applicant, subject to formal AAB approval, (2) the applicant has requested the continuation of a reduced assessment granted by the Assessment Appeals Board in the previous tax year and (3) the applicant's opinion of the correct assessment value is not less than the prior year's assessment and any automatic annual increase for inflation allowed by law.

The Assessor's Office must reduce its official assessment of property value within a specified time period following a reduction of assessment by the AAB. If the Assessor's Office fails to do so, the official assessment reverts to its previous value and a separate appeal must be filed with the AAB to continue the reduction.

Section 2B.10

Currently, Section 2B.10 of the Administrative Code allows for a full refund of the hearing fee if the hearing results in certain reductions from the Assessor's assessment of property value. Hearing fees are based on a graded scale, increasing as the current assessed value of the property increases. The proposed ordinance would reduce the refund for such hearings to half the hearing fee.

Section 2B.13

Currently, Section 2B.13 puts no limitations on the applications Assessment Appeals Board No. 1 may hear and restricts most hearings of Assessment Appeals Board No. 2 to applications involving smaller, residential properties or personal property less than \$75,000. The proposed ordinance would allow Assessment Appeals Board No. 2 to hear applications involving properties assessed at up to \$20,000,000 except those properties located in certain designated areas in the City's financial district and along Van Ness Avenue.

Section 2B.18

Currently, Section 2B.18 allows the AAB to accept or reject the recommendation of a Hearing Officer on certain applications. Hearing Officers, selected from AAB members, are responsible for making recommendations on reductions in assessment values after conducting pre-hearing interviews. Such interviews are limited to applications involving residential properties of four units or less. The proposed ordinance would require the AAB to accept the recommendation of the Hearing Officer, provided that the applicant agrees with this recommendation. Ms. Cosentino

advises that this practice would expedite the hearing process and is common in other Bay Area counties.

Comments:

1. According to Ms. Cosentino, the proposed amendment to Section 2B.9 would eliminate the payment of the filing fee for applicants who find it necessary to file appeals with the AAB because the Assessor's Office is unable to process the previous year's reductions in assessment value before its authority to do so expires. Mr. David Busse of the Assessor's Office advises that since the Assessor's Office expects to process all the previous year's reductions in assessment value before its authority to do so expires, the proposed change in filing fee waivers would have a negligible effect on revenues to the City.

2. Ms. Cosentino reports that the AAB spends an extensive amount of time conducting hearings involving larger commercial properties. She reports that the proposed reduction in refunds would compensate for this additional Board time. Mr. Victor Young of the AAB states that halving the hearing fee refund would reduce the current \$14,000 in annual fee refunds to an estimated \$7,000, resulting in \$7,000 in additional revenue to the City annually.

3. Ms. Cosentino advises that the proposed amendment to Section 2B.13, allowing Assessment Appeals Board No. 2 to hear applications involving properties assessed at up to \$20,000,000, except in certain designated areas, is designed to allow greater efficiency in scheduling hearings. Such improved efficiency should eliminate the present backlog of cases before the expiration of the two-year period, after which the City is obligated to accept the applicant's opinion of value. Ms. Cosentino further advises that appeals involving properties in the designated areas would be heard only by Assessment Appeals Board No. 1 to utilize the expertise of Board No. 1 in assessing the larger commercial properties located in these areas.

4. Ms. Cosentino advises that the total estimated cost for Assessment Appeals Board No. 2 in FY 1994-95 is \$42,000. She further advises that the total estimated cost for Board No. 2 in FY 1995-96, based on approval of the proposed amendment allowing more appeals to be heard by Board No. 2, would be \$78,000 or \$36,000 more than the current budgeted amount.

Recommendation: Approval of the proposed Amendment of the Whole to the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 12-95-24.1

Note: This item was continued by the Budget Committee at its meeting of May 10, 1995.

1. This item is a request for a hearing to consider seeking a change in State law to permit San Francisco to directly tax banks, savings and loan associations and insurance companies instead of receiving an in-lieu payment from the State of California.

2. State law currently exempts banks, savings and loan associations and insurance companies from the payment of local taxes. Instead, the banks and savings and loan associations pay a State Bank Tax and the insurance companies pay a State Premiums Tax "in-lieu" of the City's Payroll/Gross Receipts Tax and Unsecured Property Tax¹. The proposed hearing would be to consider authorizing the City's State lobbyist to advocate for State legislation that would permit the City to impose local taxes on banks, savings and loan associations and insurance companies, by repealing the current State taxes payable by banks, savings and loan associations and insurance companies.

3. According to Mr. George Ramsey of the State Franchise Tax Board, as a result of a change in State law in 1978, the State no longer makes in-lieu payments to cities from the revenues that the State collects through the State Bank Tax and the State Premiums Tax.

4. Currently, businesses subject to the City's Payroll/Gross Receipts Tax must pay the higher of either 1.5 percent of their total payroll or, for most businesses, \$3.00 per \$1,000 of gross receipts (0.3 percent), except for businesses with a calculated tax liability of \$2,500 or less which are exempt from this tax. In addition, businesses subject to the City's Unsecured Property Tax must pay \$1.15 for every \$100 of property value (1.15 percent).

5. The Franchise Tax Board reports that the current State Bank Tax is two percent of net income. Based on data provided by the Franchise Tax Board, San Francisco could be eligible to receive approximately \$4.9 million in Gross Receipts Tax revenues per year if the City were able to tax banks and savings and loan associations directly.

6. The State Board of Equalization (BOE) reports that the State Premiums Tax is 2.35 percent of gross premiums. Based on data provided by the Franchise Tax Board, San Francisco could be eligible to receive approximately \$3.7 million in Gross Receipts Tax revenues per year if the City were able to tax insurance companies directly.

¹ The Unsecured Property Tax is a business tax assessed on property used in the operation of a business, such as furniture, computer equipment and lighting fixtures, whereas the Real Property Tax is a tax assessed on land and buildings.

Memo to Budget Committee
May 17, 1995

7. As of the writing of this report, it was not possible to determine the potential revenue that could accrue to the City resulting from the imposition of the City's Unsecured Property Tax on banks, savings and loan associations and insurance companies.

8. Currently, under State law, all counties impose an Unsecured Property Tax at the rate of at least \$1.00 for every \$100 of property value (1.0 percent), plus an additional percentage to account for bonded indebtedness. In addition, according to the Tax Collector's Office, while several other municipalities in California besides San Francisco impose a Gross Receipts Tax, the rates vary from municipality to municipality. The Tax Collector's Office advises that few other municipalities in California have a Payroll Tax, as San Francisco does. It is uncertain whether banks, savings and loan associations and insurance companies would transfer their operations to areas outside of San Francisco to avoid the City's Gross Receipts/Payroll Tax and Unsecured Property Tax, or whether other municipalities would impose a Gross Receipts/Payroll Tax and Unsecured Property Tax on banks, savings and loan associations and insurance companies at rates comparable to San Francisco.

Item 5 - File 165-95-4.1

Item: Hearing to consider the findings and recommendations contained in the Budget Analyst's Management Audit dated April, 1995 of the Tax Collector's Office.

Description: In response to a request from the Board of Supervisors, the Budget Analyst conducted a comprehensive management audit of the Tax Collector's Office. The final management audit report was submitted to the Board of Supervisors on April 25, 1995 and contains eleven findings and 81 recommendations. The major sections of the report are as follows:

Introduction

Section I.1: Accounting and Statements

Section I.2: Automation

Section I.3: Taxpayer Assistance

Section II.1: Licensing

Section II.2: Dog Licenses

Section III.1: Business tax Auditing

Section III.2: Review of City Park Audit

Section III.3: Business Registration

Section III.4: Taxicab Drivers


Section IV.1: Delinquent Collections Process: Business Tax

Section IV.2: Collections Process

Full implementation of the recommendations contained in this management audit would decrease the Tax Collector's overall costs and increase revenues by a net amount of approximately \$7.1 million to \$16 million annually for the City. Depending on future legal opinions of the City Attorney and policy decisions of the Board of Supervisors, the City could realize an additional \$3.5 million to \$6.9 million of one-time payments as a result of delinquent Business Taxes and Registration Fees owed to the City by taxicab companies or its drivers. Implementation of the recommendations contained in our report would require an additional estimated one-time net cost of \$215,426.

These estimated savings do not include an additional \$14.3 million annually from Payroll and Gross Receipts Taxes owed to the City. These taxes are owed to the City because an estimated 9,376 to 53,376 businesses are not registered with the Tax Collector's Office and therefore do not pay taxes.

Memo to Budget Committee
May 17, 1995 Budget Committee Meeting


for Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

Memo to Budget Committee
May 17, 1995 Budget Committee Meeting

REVISED

Item 3 - File 97-95-26

NOTE: This item was continued at the May 10, 1995 Budget Committee meeting.

Department: Assessment Appeals Board (AAB)

Item: Ordinance amending Chapter 2B of the San Francisco Administrative Code by amending (1) Section 2B.9 to waive the filing fee for an application for a reduction in assessment in certain cases, (2) Section 2B.10 to allow the refund of only half the hearing fee if certain reductions in assessment are granted, (3) Section 2B.13 to allow Assessment Appeals Boards No. 2 to hear appeals involving property of less than \$20,000,000 except in certain designated areas and (4) Section 2B.18 to require the Assessment Appeals Board to accept the recommendations of hearing officers.

Description: An Amendment of the Whole to the proposed ordinance has been drafted and will be introduced at the Budget Committee meeting on May 17, 1995. This report reflects the Amendment of the Whole.

The Assessment Appeals Board (AAB) hears appeals from property owners who dispute assessments of property value arrived at by the Assessor's Office, and the resulting tax liability. Currently, two Assessment Appeals Boards, of three members each, exist. Members are selected by the Board of Supervisors from applicants involved in related fields.

Ms. Marilyn Cosentino of the AAB advises that the severe downturn in San Francisco real estate values and limited reductions in assessment by the Assessor have contributed to a sharp rise in appeals to the AAB since 1993, delaying the hearing of appeals and resulting in a severe backlog of cases. Ms. Cosentino further advises that State law provides that the taxpayer's opinion of value will prevail if an appeal is not decided within two years of filing, resulting in the possibility of a sharp fall in revenue to the City.

The proposed ordinance would amend Chapter 2B of the San Francisco Administrative Code as follows:

Section 2B.9

Currently, Section 2B.9 of the Administrative Code allows the waiver of the filing fee of \$30.00 for an application to the AAB only in indigent cases, in accordance with State law (California Government Code Section 68511.3). The proposed ordinance would add waivers of the filing fee for applications

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BOARD OF SUPERVISORS
BUDGET ANALYST

Recommendation

for which (1) the Assessor has recommended a reduced assessment in a written stipulation with the agreement of the City Attorney and the applicant, subject to formal AAB approval, (2) the applicant has requested the continuation of a reduced assessment granted by the Assessment Appeals Board in the previous tax year and (3) the applicant's opinion of the correct assessment value is not less than the prior year's assessment and any automatic annual increase for inflation allowed by law.

The Assessor's Office must reduce its official assessment of property value within a specified time period following a reduction of assessment by the AAB. If the Assessor's Office fails to do so, the official assessment reverts to its previous value and a separate appeal must be filed with the AAB to continue the reduction.

Section 2B.10

Currently, Section 2B.10 of the Administrative Code allows for a full refund of the hearing fee if the hearing results in certain reductions from the Assessor's assessment of property value. Hearing fees are based on a graded scale, increasing as the current assessed value of the property increases. The proposed ordinance would reduce the refund for such hearings to half the hearing fee.

Section 2B.13

Currently, Section 2B.13 puts no limitations on the applications Assessment Appeals Board No. 1 may hear and restricts most hearings of Assessment Appeals Board No. 2 to applications involving smaller, residential properties or personal property less than \$75,000. The proposed ordinance would allow Assessment Appeals Board No. 2 to hear applications involving properties assessed at less than \$20,000,000 except those properties located in certain designated areas in the City's financial district and along Van Ness Avenue.

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Currently, Section 2B.18 allows the AAB to accept or reject the recommendation of a Hearing Officer on certain applications. Hearing Officers, selected from AAB members, are responsible for making recommendations on reductions in assessment values after conducting pre-hearing interviews. Such interviews are limited to applications involving residential properties of four units or less. The proposed ordinance would require the AAB to accept the recommendation of the Hearing Officer, provided that the applicant agrees with this recommendation. Ms. Cosentino

advises that this practice would expedite the hearing process and is common in other Bay Area counties.

Comments:

1. According to Ms. Cosentino, the proposed amendment to Section 2B.9 would eliminate the payment of the filing fee for applicants who find it necessary to file appeals with the AAB because the Assessor's Office is unable to process the previous year's reductions in assessment value before its authority to do so expires. Mr. David Busse of the Assessor's Office advises that since the Assessor's Office expects to process all the previous year's reductions in assessment value before its authority to do so expires, the proposed change in filing fee waivers would have a negligible effect on revenues to the City.

2. Ms. Cosentino reports that the AAB spends an extensive amount of time conducting hearings involving larger commercial properties. She reports that the proposed reduction in refunds would compensate for this additional Board time. Mr. Victor Young of the AAB states that halving the hearing fee refund would reduce the current \$14,000 in annual fee refunds to an estimated \$7,000, resulting in \$7,000 in additional revenue to the City annually.

3. Ms. Cosentino advises that the proposed amendment to Section 2B.13, allowing Assessment Appeals Board No. 2 to hear applications involving properties assessed at less than \$20,000,000, except in certain designated areas, is designed to allow greater efficiency in scheduling hearings. Such improved efficiency should eliminate the present backlog of cases before the expiration of the two-year period, after which the City is obligated to accept the applicant's opinion of value. Ms. Cosentino further advises that appeals involving properties in the designated areas would be heard only by Assessment Appeals Board No. 1 to utilize the expertise of Board No. 1 in assessing the larger commercial properties located in these areas.

4. Ms. Cosentino advises that the total estimated cost for Assessment Appeals Board No. 2 in FY 1994-95 is \$42,000. She further advises that the total estimated cost for Board No. 2 in FY 1995-96, based on approval of the proposed amendment allowing more appeals to be heard by Board No. 2, would be \$78,000 or \$36,000 more than the current budgeted amount.

Recommendation: Approval of the proposed Amendment of the Whole to the proposed ordinance is a policy matter for the Board of Supervisors.



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

REVISED

May 16, 1995

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: May 17, 1995 Budget Committee Meeting

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MAY 18 1995

SAN FRANCISCO
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Municipal Railway (MUNI)

Item: Supplemental appropriation ordinance appropriating \$8,859,766 to the Municipal Railway (MUNI) to offset shortfalls in passenger fare revenues, judgments and claims, materials and supplies, workers compensation and services of the City Attorney, funded from the General Fund Reserve (\$5,259,766), Transit Impact Development Funds (\$2,100,000) and the San Francisco County Transportation Authority (\$1,500,000); the subject of previous budgetary denial and providing for ratification of action previously taken.

Amount and

Source of Funds:	General Fund Reserve	\$5,259,766
	Transit Impact Development Funds	2,100,000
	San Francisco County Transportation Authority	<u>1,500,000</u>
	Total	\$8,859,766

Description: The proposed supplemental appropriation ordinance would appropriate funding in order to offset a projected funding shortfall in the Municipal Railway's (MUNI) FY 1994-95 budget resulting from (a) a shortfall in projected passenger

fare revenues and (b) overspending in four expenditure categories, as follows:

Shortfall in Passenger Fare Revenues \$3,683,766

Budget Deficiencies in:

Judgments and Claims	1,100,000
Materials and Supplies	1,500,000
Workers Compensation	2,110,000
Services of the City Attorney	<u>466,000</u>
Total	\$8,859,766

These projected shortfalls are described in detail below.

Shortfall in Passenger Fare Revenues (\$3,683,766)

MUNI originally projected a shortfall in passenger fare revenues of approximately \$3.7 million for FY 1994-95. According to MUNI, this shortfall is primarily due to a reduction in Fast Pass sales, cable car revenues, discount fare revenues and Youth Pass sales. The proposed ordinance would offset the projected \$3,683,766 shortfall in passenger fare revenues with \$3,683,766 in General Fund Reserve monies, to be appropriated to MUNI's Operating Fund.

The table below shows MUNI's estimated shortfall in passenger fare revenues for FY 1994-95, as of April 1, 1995:

FY 1994-95 Budget	Actual Revenues <u>7/1/94 - 3/31/95</u>	Projected Revenues <u>4/1/95 - 6/30/95</u>	Total Estimated <u>Shortfall</u>
\$93,998,438	\$67,855,852	\$22,739,569	\$3,403,017

As reflected in the table above, although the projected revenue shortfall is \$3,403,017, the supplemental request for passenger fares is \$3,683,766, or \$280,749 more than the projected revenue shortfall (See Comment No. 5).

Judgments and Claims (\$1,100,000)

MUNI's current year budget for judgments and claims is \$7,512,000. As of March 31, 1995, MUNI had already expended \$7,278,609 (97 percent) of its judgments and claims budget.

The table below, based on data provided by MUNI, shows a summary of the estimated budget deficiency in MUNI's judgments and claims budget for FY 1994-95:

<u>Description</u>	<u>Number</u>	<u>Amount</u>
Claims already paid through 3/31/95	1,121	\$7,278,609
Unpaid settled claims to be paid between 4/1/95 and 6/30/95	350	1,725,040
Unpaid claims awaiting approval for payment	5	181,136
Estimated amount of other pending claims*	<u>175</u>	<u>643,650</u>
Total 1994-95 Claims Paid or Pending	1,651	\$9,828,435
Less:		
1994-95 Budget for Judgments and Claims		<u>(7,512,000)</u>
Estimated Shortfall in Judgments and Claims		\$2,316,435

* The City Attorney's Office advises that this estimate, as prepared by MUNI, appears low. As of the writing of this report, the City Attorney's Office could not provide an estimate of the amount that may actually be needed for pending claims.

As reflected in the table above, although the projected budget deficiency is \$2,316,435, the supplemental request for judgments and claims is only \$1,100,000, thereby leaving a remaining budget deficiency of \$1,216,435 (See Comment No. 5).

Materials and Supplies (\$1,500,000)

Although MUNI's Maintenance Division spent approximately \$12.3 million for materials and supplies in FY 1993-94, the Maintenance Division's FY 1994-95 budget for materials and supplies was only \$10.8 million, as recommended by the Mayor's Office. As a result, MUNI's Maintenance Division originally projected a \$1.5 million deficit in its materials and supplies budget for FY 1994-95. According to Mr. Fred Howell of MUNI, the appropriation of the requested funds would permit MUNI to continue materials and supplies purchasing, thereby preventing further delays in bus repair.

This request for \$1.5 million, to be funded by a grant from the San Francisco County Transportation Authority, would be used to purchase parts for (a) Light Rail Vehicles (\$1,097,000), (b) diesel buses (\$305,000) and (c) trolley buses (\$98,000).

The table below shows the estimated budget deficiency in MUNI's total materials and supplies budget for FY 1994-95, based on MUNI's anticipated need for vehicle parts from May 1, 1995 through June 30, 1995:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
May 17, 1995

FY 1994-95 Budget	Actual Expenditures <u>7/1/94 - 4/30/95</u>	Projected Expenditures <u>5/1/95 - 6/30/95</u>	Total Estimated Shortfall
\$17,046,706	\$17,194,039	\$1,830,161	\$1,977,494

As reflected in the table above, although the projected budget deficiency is \$1,977,494, the supplemental request for materials and supplies is only \$1,500,000, thereby leaving a remaining budget deficiency of \$477,494 (See Comment No. 5).

Workers Compensation (\$2,110,000)

Despite a declining number of workers compensation claims, MUNI is projecting a shortfall of \$2,110,000 in its workers compensation budget. MUNI advises that this overspending is due in part to (a) a 21 percent increase in the statutory temporary disability rate from \$336 to \$406 per week imposed by the California Legislature and (b) an increase in the average payment from \$5,148 per claim in 1993-94 to \$7,535 per claim in FY 1994-95.

The table below, based on data provided by MUNI, shows a summary of the estimated budget deficiency in MUNI's workers compensation budget for FY 1994-95:

<u>Description</u>	<u>Number</u>	<u>Amount</u>
Claims already paid through 3/31/95	892	\$6,719,768
Unpaid settled claims to be paid between 4/1/95 and 6/30/95	<u>297</u>	<u>2,239,923</u>
Total 1994-95 Claims Paid or Pending	1,189	\$8,959,691
Less:		
1994-95 Budget for Workers Compensation		<u>(6,371,789)</u>
Estimated Shortfall in Workers Compensation		\$2,587,902

As reflected in the table above, although the projected budget deficiency is \$2,587,902, the supplemental request for workers compensation is only \$2,110,000, thereby leaving a remaining budget deficiency of \$477,902 (See Comment No. 5).

During the FY 1994-95 budget review, the Budget Analyst estimated that the overall General Fund budget for workers compensation, as submitted by the Mayor's Office, was underbudgeted by \$2.9 million.

BOARD OF SUPERVISORS
BUDGET ANALYST

Services of the City Attorney (\$466,000)

The City Attorney provides services to MUNI related to claims, judgments and other legal matters. According to Mr. Howell, MUNI originally projected a shortfall of \$466,000 in this expenditure category because this account has historically been underbudgeted by the Mayor's Office.

The average hourly rates for the City Attorney's Office range from \$100 to \$112 per hour, which provide for attorneys' salaries and fringe benefits and for overhead expenses. The City Attorney's Office advises that approximately 40 attorneys are involved in general litigation for MUNI. This supplemental request of \$466,000 would provide between 4,161 and 4,660 hours of service from the City Attorney's Office over an approximately six-week period (from May 23, 1995 through June 30, 1995).

The table below shows the estimated funding shortfall for services of the City Attorney's Office for FY 1994-95, based on data provided by the City Attorney's Office:

FY 1994-95 <u>Budget</u>	Actual Expenditures <u>7/1/94 - 3/31/95</u>	Projected Expenditures <u>4/1/95 - 6/30/95</u>	Total Estimated <u>Shortfall</u>
\$2,356,040	\$2,131,486	\$710,495	\$485,941

As reflected in the table above, although the projected budget deficiency is \$485,941, the supplemental request for services of the City Attorney's Office is only \$466,000, thereby leaving a remaining budget deficiency of \$19,941 (See Comment No. 5).

Comments:

1. MUNI has applied for a \$1.5 million grant from the San Francisco County Transportation Authority to finance the Maintenance Division's projected deficit in materials and supplies for FY 1994-95. MUNI advises that this grant application has received approval from the Transportation Authority.

2. MUNI has identified \$2.1 million in surplus Transit Impact Development Funds available from the Woods Project that could be used to offset MUNI's projected funding shortfall. The Woods Project involved the purchase of Port property to accommodate various maintenance functions. However, because the Port property was not available for acquisition, MUNI instead acquired property at 700 Pennsylvania Street to accommodate those maintenance functions, leaving a surplus of approximately \$2.1 million for the Woods Project. As such, according to Mr. Howell, this

BOARD OF SUPERVISORS
BUDGET ANALYST

\$2.1 million in Transit Impact Development Funds originally earmarked for the Woods Project is no longer needed and can instead be used to partially offset MUNI's projected operating deficit for FY 1994-95.¹ The transfer of these funds from the Woods Project to MUNI's operating budget was approved by the Public Transportation Commission at its meeting of February 14, 1995.

3. According to Mr. Howell, expenditures have been incurred against the proposed supplemental appropriation for workers compensation, judgments and claims and materials and supplies. As such, the proposed ordinance provides for ratification of action previously taken.

4. The funds being requested in this supplemental appropriation ordinance were previously denied by the Mayor's Office during the FY 1994-95 budget process. As such, the approval of this supplemental appropriation ordinance would require two-thirds vote by the Board of Supervisors.

5. Based on the most recent projected passenger fare revenues shortfall of \$3,403,017, the Budget Analyst notes that the supplemental request for passenger fare revenues of \$3,683,766 could be reduced by \$280,749 to \$3,403,017. However, even with the proposed supplemental appropriation ordinance of \$8,859,766, MUNI still faces a projected budget deficiency of \$2,191,772 in (a) judgments and claims (\$1,216,435), (b) materials and supplies (\$477,494), (c) workers compensation (\$477,902) and (d) services of the City Attorney's Office (\$19,941). Mr. Howell advises that MUNI will attempt to absorb these projected budget deficiencies within its existing budget, but that any remaining budget deficiencies in these four accounts at the end of FY 1994-95 would be carried forward and paid by the FY 1995-96 budget.

The Budget Analyst had originally recommended that the surplus in passenger fare revenues of \$280,749, as identified by the Budget Analyst, be used to partially offset MUNI's additional projected budget deficiency of \$1,216,435 in judgments and claims. However, the Controller's Office has advised the Budget Analyst that, in accordance with the Charter, this surplus amount of \$280,794 cannot be transferred from passenger fare revenues to another account without the prior approval of a second supplemental

¹ According to Mr. Howell, Transit Impact Development Funds may be used for both capital and operating expenses.

appropriation ordinance by the Public Transportation Commission.

As such, at the request of MUNI, the Budget Analyst recommends instead that the surplus of \$280,749 in passenger fare revenues be approved as is so that it may be used as needed to partially offset MUNI's remaining budget deficiency at the close of the 1994-95 fiscal year, thereby reducing the projected budget deficiency to be carried forward to the FY 1995-96 budget by \$280,749, or from \$2,191,772 to \$1,911,023.

Recommendation: Approve the proposed supplemental appropriation ordinance.

REPORT TO THE
BUDGET COMMITTEE
OF THE SAN FRANCISCO BOARD OF SUPERVISORS

FY 1995-96
ZERO-BASE BUDGET ANALYSIS

For full text: See call no. below:

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BUDGET ANALYST
MAY 1995

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 22, 1995

Honorable Tom Hsieh, Chair
and Members of the Budget Committee
City and County of San Francisco
Room 235, City Hall
San Francisco, CA 94102

For full text: 352.4979
Sa52z
1995/96

Dear Chair Hsieh, Supervisor Kaufman and Supervisor Bierman:

We are pleased to transmit to you the results of our Zero-Base Budget Analysis for FY 1995-96. Working collaboratively with the Mayor's Office and management and staff of each department and program which we analyzed, we have reviewed FY 1995-96 expenditures and revenues of the Purchasing and the Recreation and Park Departments, performed an analysis of management and administrative support positions in General Fund and General Fund-Supported departments, and performed analyses of various other departmental and City-wide programs.

The Budget Analyst has made a series of recommendations which, upon implementation, would reduce General Fund expenditures by an estimated \$10,306,277 annually including at least \$6,000,000 during FY 1995-96. It should be noted that our recommendations would *not* result in a reduction in the present level of services provided by the City and County.

The Budget Analyst's recommendations include the deletion of administrative and attorney positions, the creation of a new revenue-producing position and certain downward reclassifications. However, the Budget Analyst recommends that all position deletions and reclassifications be implemented only as positions become vacant due to normal attrition within each Department, or by increases in salary savings which can be absorbed in the departments' existing budgets. In this manner, the Budget Analyst's recommendations can be fully implemented without any layoffs or any demotions of existing staff.

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MINUTES
REGULAR MEETING
BUDGET COMMITTEE
// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, MAY 24, 1995 - 1:00 P.M.

ROOM 410, WAR MEMORIAL BLDG.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:12 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 101-92-11.4. [Reserved Funds, Airport] Consideration of release of reserved funds, Airport, (1992-1993 Capital Improvement Project) totalling \$35,977,753 (\$236,660 for Airport Master Plan Construction Contract No. 3439; \$17,711,093 for Contract No. 5826B; and \$18,030,000 for noise insulation funding). (Airport)
 - b) File 101-92-23.3. [Reserved Funds, Department of Public Health - SFGH] Consideration of release of reserved funds, Department of Public Health, San Francisco General Hospital (capital improvement project), in the amount of \$88,614, to pay for heating and ventilation repairs at the San Francisco General Hospital Wards 14 and 15. (Department of Public Health)
 - c) File 101-92-60.9. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works, (1992 Prop. C Bond Issue Fund) in the total amount of \$498,000 for the purpose of funding construction contract, hazardous material abatement and construction services for Fire Station No. 9. (Department of Public Works)

- d) File 101-94-6.3. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department, (1986 Fire Protection System Improvement Bond), in the amount of \$68,485, for the purpose of awarding Contract No. 7540E which will allow for the Loomis/Oakdale/Industrial Streets AWSS repair work. (Fire Department)
- e) File 101-94-65.1. [Reserved Funds, Chief Administrative Officer] Consideration of release of reserved funds, Chief Administrative Officer, in the amount of \$39,865.23, for the accumulated sick pay and vacation payment for Rudolf Nothenberg. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. ITEM (e) REMOVED FROM CONSENT CALENDAR. REMAINING ITEMS RECOMMENDED.

File 101-094-65.1. AMENDED. REDUCED AMOUNT OF RELEASE TO \$31,652.98. APPROVED AS AMENDED. FILED.

VOTE: 3-0.

REGULAR CALENDAR
FISCAL ITEMS

- 2. File 101-94-99. [Appropriation - Adult Probation] Ordinance appropriating \$270,000, Adult Probation Department, from the General Fund Reserve to salaries to allow the Adult Probation Department to maintain staffing for fiscal year 1994-95. (Controller) RO #94233

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Arlene Sause, Chief Adult Probation Officer; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

3. File 101-94-100. [Appropriation – Hetch Hetchy Water and Power] Ordinance appropriating \$815,000, Hetch Hetchy Water and Power Operating Funds to a capital improvement project to repair the Early Intake Access Road at Early Lake, California for fiscal year 1994-95. (Controller) RO #94231

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Richard Grant, Manager of Utilities, Hetch Hetchy Water and Power. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$745,139 and a Section 2 providing for ratification of action previously taken. AMENDED TITLE: "Appropriating \$745,139 of Hetch Hetchy Water and Power Operating Funds to a capital improvement project to allow Hetch Hetchy to repair the Early Intake Access Road for fiscal year 1994-95; providing for ratification of action previously taken."

VOTE: 3-0.

4. File 101-94-101. [Appropriation – Department of Parking and Traffic] Ordinance appropriating \$2,448,891, Department of Parking and Traffic, of Parking Meter Revenue Bond Proceeds and rescinding \$300,000 from the Vallejo Street Garage Capital Project to reimburse the Parking Revenue Fund for advances of \$596,554 and appropriate \$2,152,337 to the San Francisco General Hospital Garage Capital Project for fiscal year 1994-95. (Controller) RO #94232

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Kevin Haggerty, Department of Parking and Traffic. IN SUPPORT: None. OPPOSED.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place \$1,465,070 on reserve pending contract details on the MBE/WBE status of contractors. AMENDED TITLE: "Appropriating \$2,448,891 of Parking Meter Revenue Bond Proceeds and Rescinding \$300,000 from the Vallejo Street Garage Capital Project to reimburse the Parking Revenue Fund for advances of \$596,554 and appropriate \$2,152,337 to the San Francisco General Hospital Garage Capital Project for fiscal year 1994-95; placing \$1,465,070 on reserve."

VOTE: 3-0.

5. File 101-94-103. [Appropriation - Department of Public Health] Ordinance appropriating \$775,049, Department of Public Health, from the General Fund Reserve for costs associated with the 1994-95 Memorandum of Understanding for Staff Nurses and increased costs of nurses dental coverage in fiscal year 1994-95; providing for ratification of action previously taken. (Controller) RO #94245

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller, Monique Zumda, Department of Public Health/Mental Health. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

6. File 101-94-104. [Appropriation - Department of Public Health-Mental Health] Ordinance appropriating \$991,116, Department of Public Health-Mental Health of 1987 Mental health Facility Bond Interest Earning to the Mental Health Rehabilitation Skilled Nursing Facility Capital Improvement Project at the Department of Public Health-Mental Health for fiscal year 1994-95. (Controller) RO #94237

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

7. File 101-94-105. [Appropriation - Sheriff's Department] Ordinance appropriating and rescinding \$180,000, Sheriff's Department, to overtime for fiscal year 1994-95; subject of previous budgetary denial. (Controller) RO #94244

SPEAKERS: ELECTED OFFICIAL: Honorable Michael Hennessey, Sheriff. DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; . IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

8. File 101-94-106. [Appropriation – Medical Examiner] Ordinance appropriating \$97,000, Medical Examiner, from the General Fund Reserve to allow the Medical Examiner to purchase equipment for fiscal year 1994-95. (Controller) RO #94234

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Dr. Boyd Stephens, Medical Examiner. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

9. File 101-94-107. [Appropriation – Port] Ordinance appropriating and transferring \$2,993,539 from various Port funds to capital improvement projects at the Port of San Francisco for fiscal year 1994-95. (Controller) RO # 94252

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ben Kutnick, Director of Administration, SF Port. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place \$2,993,539 on reserve pending details on MBE/WBE contractors. AMENDED TITLE: "Appropriating and transferring \$2,993,539 from various Port funds to capital improvement projects at the Port of San Francisco for fiscal year 1994-95; placing \$2,993,539 on reserve."

VOTE: 3-0.

10. File 101-94-108. [Appropriation – Department of Public Works] Ordinance appropriating \$9,340,000 from the Clean Water Operating Fund to a capital improvement project (sewer system improvements) at the Department of Public Works for fiscal year 1994-95. (Controller) RO #94251

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place \$6,174,154 on reserve for consultants not yet selected, MBE/WBE status and contract cost details. AMENDED TITLE: "Appropriating \$9,350,000 from the Clean Water Operating Fund to a capital improvement project (sewer system improvements) at the Department of Public Works for fiscal year 1994-95; placing \$6,174,154 on reserve."

VOTE: 3-0.

11. File 101-94-109. [Appropriation - Civil Service Commission] Ordinance appropriating \$300,000 from the General Fund Reserve to allow the Civil Service Commission to conduct a classification study for fiscal year 1994-95; placing \$300,000 on reserve. (Controller) RO #94250

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

12. File 155-95-5. [Reward Authorization] Ordinance authorizing payment of a \$5,000 reward to Robert K. Winn and Robert K. Forest. (Police Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Teresa Serata, Budget Director, Office of the Mayor. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

GENERAL ITEMS

13. File 97-95-26. [Assessment Appeals Board] Ordinance amending Chapter 2B of the San Francisco Administrative Code by amending Section 2B.9 thereto to waive the filing fee for an application for reduction of assessment where the application is accompanied by a stipulation with the Assessor and the application is filed after the Assessment Appeals Board has reduced the assessment for a prior tax year, amending Section 2B.10 to allow refund of only half of the hearing fee where the applicant prevails and obtains a reduction from the Assessment Appeals Board, amending Section 2B.13 to allow Assessment Appeals Board No. 2 to hear appeals involving property of any type on the Secured or Unsecured Roll assessed at \$20,000,000 or less, excluding properties in certain designated Assessor's Blocks and possessory interests, and amending Section 2B.18 to require the Assessment Appeals Board to accept recommendations of hearing officers as to which there is no timely objection. (Supervisor Kaufman)

(Consideration continued from 5/17/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Marilyn Cosentino, Administrator, Assessment Appeals Board; Ed Harrinton, Controller; Ted Lakey, Deputy City Attorney.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
On Page 2, Delete proposed changes to Section 2B.9 (to remain as currently approved). AMENDED TITLE: "Amending Chapter 2B of the San Francisco Administrative Code by amending Section 2B.10 to allow refund of only half of the hearing fee where the applicant prevails and obtains a reduction from the Assessment Appeals Board, amending Section 2B.13 to allow Assessment Appeals Board No. 2 to hear appeals involving property of any type on the Secured or Unsecured Roll assessed at \$20,000,000 or less, excluding properties in certain designated Assessor's Blocks and possessory interests, and amending Section 2B.18 to require the Assessment Appeals Board to accept recommendations of hearing officers as to which there is no timely objection."

VOTE: 3-0.

14. File 168-95-1. [Park and Open Space Fund, 1995-96] Resolution concurring with the general recommendations on the Park and Open Space Fund for fiscal year 1995-1996, reserving approval or disapproval on specific acquisitions. (Recreation and Park Dept.)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

15. File 96-94-4. [Sale of Surplus Property] Ordinance authorizing the sale of real property to Lillian L. Chen and Franklin K. Chen, as joint tenants, and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Tony Delucchi, Director of Property, Real Estate Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

16. File 97-95-21. [Grand Jury Reports - Hearings] Ordinance amending the Administrative Code by adding Section 2.10 to require a public hearing by the Board of Supervisors on reports submitted to them by the Grand Jury and requiring the Controller to report on the status of implementation of the recommendations. (Supervisors Hsieh, Bierman, Kaufman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Ms. Bernstein, Civil Grand Jury. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY SUPERVISOR HSIEH. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. NEW TITLE: "Amending Article II of Chapter 2 of the San Francisco Administrative Code by adding Section 2.10 thereto, to require a public hearing by the Board of Supervisors on reports submitted to them by the Civil Grand Jury and requiring the Controller to report on the status of implementation of the recommendations."

(Add Supervisors Bierman and Kaufman as co-sponsors.)

VOTE: 3-0.

HEARING

17. File 100-95-5. [Zero Base Budget] Hearing to consider the Zero Base Budget Analysis of the Budget Analyst. (Supervisor Hsieh)

SPEAKERS: ELECTED OFFICIALS: Honorable Louise Renne, City Attorney, Honorable Arlo Smith, District Attorney, Honorable Jeff Brown, Public Defender; Honorable Richard Figone, Judge, Superior Court; Honorable Jerome Benson, Judge, Municipal Court. DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Debra Newman, representing Budget Analyst; Marvin Geistlinger, Director of Purchasing, Purchasing Department; Mary Burns, General Manager, Recreation and Park Department; Teresa Serata, Budget Director, Office of the Mayor; Bill Courtwright, representing the Budget Analyst; Monique Zumda, representing Dr. Sandra Hernandez, Department of Public Health; Stan Jones, representing the Budget Analyst; Charlotte Martinez, Assistant District Attorney; Teri Jackson, Assistant District Attorney; Brian Cahill, General Manager, Department of Social Services; Ann Branston, Deputy Director for Financial Management and Administration, Department of Public Works; Tom Dorn, representing the Budget Analyst; Steve Nelson, representing the Chief Administrative Officer; Pippen Amy, Paramedic Division. NO POSITION TAKEN: Bob McDonald, Labor Union. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

TIME MEETING ADJOURNED: 6:10 P.M.

24/95
11
BOARD OF SUPERVISORS**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 22, 1995

TO: Budget Committee
FROM: Budget Analyst *Recommended*
SUBJECT: May 24, 1995 Budget Committee Meeting

Item 1a - File 101-92-11.4**Department:** Airports Commission

Item: Hearing requesting release of reserved funds, Airport, totalling \$35,977,753, including \$236,660 for Airport Master Plan construction contract #3439, \$17,711,093 for Airport Master Plan construction contract #5826B, and \$18,030,000 for noise insulation funding.

Amount: \$35,977,753**Source of Funds:** 1992 Airport Revenue Bonds

Description: In December of 1992, the Board of Supervisors approved an ordinance appropriating \$2.4 billion in Airport Revenue Bond funds for Near Term Master Plan Projects at the San Francisco International Airport. Of the \$2.4 billion, \$1,554,200,000 was placed on reserve for construction contracts pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors.

In July of 1994, the Board of Supervisors released \$51,792,700 of this reserve (File 101-92-11.2) to fund the South San Francisco and San Bruno Home Insulation Project and construction of the Lot DD Parking Structure at San Bruno

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Avenue and Route 101, leaving a balance of \$1,502,407,300 still on reserve for construction contracts.

In October of 1994, the Board of Supervisors released \$6,489,745 of this reserve (File 101-92-11.3) to fund initial construction and contingency costs of a new paved open air parking area for aircraft in the northwest section of the Airport (Plot 41 Hardstands Phase I), leaving a balance of \$1,495,917,555 still on reserve.

The proposed subject release of reserve in the amount of \$35,977,753 would leave a balance of \$1,459,939,802 on reserve and would fund:

- Toxic cleanup and remediation of Plots 7, 8, and 10 in preparation for construction of the west field cargo complex on those sites (\$236,660, Contract #3439).
- Completion of the Plot 41 Hardstands (i.e., aircraft parking area) in the northwest corner of the Airport (\$17,711,093 Contract #5826B).
- Noise insulation funding for 1,202 homes in South San Francisco, San Bruno, Daly City, and Millbrae. Under the Airport's Memorandum of Understanding (MOU) with these cities, the Airport must provide \$15,000 per residence, or a total of \$18,030,000 for noise insulation funding. In accordance with the MOU, these cities previously transferred noise easements to the Airport in exchange for the \$15,000 per residential payment.

Budget:

Budgets for the three projects to be funded under this appropriation are shown below:

**Plots 7, 8, & 10 Toxic Cleanup and Remediation,
Contract No. 3439**

Remediation	\$193,192
Architecture, Engineering, Insp. (15% of contract)	28,979
Contingency (7.5% of contract)	<u>14,489</u>
Total	\$236,660

The contractor for this project is Miller/Thompson Construction, Incorporated. Miller/Thompson is not an MBE/WBE firm. However, Miller/Thompson is subcontracting with the MBE firm of Marinship for approximately 15.6 percent of this contract (\$37,000 of the total \$236,660), and the WBE firm of Double B&L for approximately 1.7 percent (\$4,000 of the total \$236,660) of the contract amount.

Item 8 - File 101-94-106

- Department:** Medical Examiner
- Item:** Ordinance appropriating \$97,000 from the General Fund Reserve to purchase equipment for FY 1994-95.
- Amount:** \$97,000
- Source of Funds:** General Fund Reserve (See Comment No. 1.)
- Description:** The proposed supplemental appropriation would fund purchase of the following equipment by the Medical Examiner:
- Automated Gas Chromatograph (\$62,000): The Medical Examiner conducts testing for blood-alcohol concentrations for all persons charged with driving under the influence of alcohol, as well as for parolees. Dr. Boyd G. Stephens, Chief Medical Examiner advises that the Medical Examiner conducts approximately 3,000 such tests each year. Mr. Herb Holly of the Medical Examiner's Office states that the current 20-year old equipment requires 1 FTE staff time, whereas purchase of the automated gas chromatograph should reduce the required staff time to approximately .5 FTE. The time savings would occur because the machine would automatically conduct multiple tests and perform a calculation that is now prepared manually.
 - Fingerprint Quality Facsimile (Fax) Machine (\$5,000): The Medical Examiner has to transmit fingerprints of unidentified deceased persons to the Federal Bureau of Investigations (FBI) for comparison with missing persons fingerprints. Currently, the Medical Examiner has to use the Fax machine in the Police Department's (SFPD) crime laboratory, or send the fingerprints by Federal Express to Sacramento for transmission to the FBI. Mr. Herb Holly of the Medical Examiner's Office advises that the SFPD crime laboratory fax machine is often not available at night and over the weekend. The Medical Examiner proposes to purchase a fingerprint quality fax machine to facilitate more rapid identification of deceased persons.
 - Computer Equipment (\$30,000): The Medical Examiner proposes to convert from a Wang computer system to a Local Area Network (LAN) system. A LAN is a personal computer (PC) based system with software that would enhance the statistical analysis and case tracking

Budget Committee
May 24 Meeting of Budget Committee

abilities of the Medical Examiner. Mr. Holly states that the Medical Examiner currently has no computerized records, because the Wang system cannot provide the required record-keeping functions. The \$30,000 requested for computer equipment in this proposed supplemental appropriation ordinance would be used to obtain a one-year contract for equipment and service for the LAN system, which would be a transition year in which the existing Wang contract (which is included in the Medical Examiner's budget) would also have to be maintained.

Comments:

1. Dr. Stephens states that the equipment cost would be fully covered by the proceeds from payments previously received from the State for certain State mandated investigative procedures that the Medical Examiner must follow in cases of Sudden Infant Death Syndrome (SIDS). A \$113,111 payment from the Maternal and Child Health Division of the State Department of Public Health has been received for such services performed between July 1, 1990 (the effective date of the State legislation) and mid-1993, and deposited to the General Fund. The proposed ordinance would allocate \$97,000 for purchase of equipment, as described above. Mr. John Madden of the Controller's Office states that the remaining \$16,111 (\$113,111 less \$97,000) would remain in the General Fund Reserve.

2. Mr. Madden advises that this payment from the State is unrestricted and can be used for any type of City expenditure.

3. Dr. Stephens states that the requested equipment would assist the Medical Examiner's Office in achieving more efficient use of staff time. Dr. Stephens reports that the staff of the Medical Examiner's Office has been reduced from a total of 40 staff persons to 30 staff persons over the past five years.

Recommendation:

Approve the proposed supplemental appropriation ordinance.

Memo to Budget Committee
May 24, 1995 Budget Committee Meeting

Item 9 - File 101-94-107

Department: Port

Item: Supplemental Appropriation Ordinance appropriating and transferring \$2,993,539 from various Port funds to Capital Improvement Projects for the Port

Amount: \$2,993,539

Source of Funds:	San Francisco Harbor Operating Fund	\$930,457
	Fire Insurance Proceeds	68,896
	1971 Harbor Improvement Bond Fund	1,932,900
	1958 Seawall Bond Fund	<u>61,286</u>
	Total	\$2,993,539

Description: The proposed supplemental appropriation request of \$2,993,539 would be used by the Port to fund five capital improvement projects as follows:

<u>Project</u>	<u>Amount</u>
Pier 35 Cruise Terminal Improvements	\$1,391,663
Ferry Building Roof	250,000
Pier 70 Upgrades	250,000
Embarcadero Roadway Drainage	700,000
Ferry Building Shear Wall	<u>401,876</u>
Total	\$2,993,539

The five proposed capital improvement projects are described below:

Pier 35 Cruise Terminal Improvements - \$1,391,663

The Port advises that the Pier 35 Cruise Terminal facility is in need of renovation. The planned project improvements include (1) creating an opening between the Pier arches to allow for Bay views, (2) rebuilding the ramp, (3) installing an escalator, (4) interior design improvements, (5) a new roof and gutters, and (6) a passenger security system. According to the Port a portion of this project work will be performed in-house and a portion will be performed by an outside contractor. The Port advises that a contractor has not been selected to perform the contract portion of the construction work. Additionally, the Port advises that, as of the writing of this report, the Port has not developed the detailed costs for the work that will be performed in-house.

The Port advises that the total estimated cost of this project is \$1,850,000 or \$458,337 more than the requested \$1,391,663. According to the Port, the remaining balance of \$458,337 will be paid for by previously appropriated 1984 Port Revenue Bond Funds .

Ferry Building Roof - \$250,000

This project involves the replacement of nine sections of the Ferry Building roof, including reconstruction of gutters. Additionally, asbestos mitigation will be performed as part of the overall work. The Port advises that this project work will be performed by in-house staff. As of the writing of this report, the Port was unable to provide the detailed costs for this project .

Pier 70 Upgrades - \$250,000

This project involves the repair and upgrade of five cranes and the small dry dock at Pier 70. The Port reports that the total estimated cost of this project is \$2,000,000. According to the Port, the \$250,000 represents the Port's match for a \$1.5 million Department of Commerce, Economic Development Agency (EDA) grant and a \$250,000 grant from the California Trade and Commerce Agency, which will be used to fund this project. The Port advises that this work will be performed by in-house staff. As of the writing of this report, the Port was unable to provide the detailed costs for this project.

Embarcadero Roadway Drainage- \$700,000

The project involves the construction of a new storm drain and sewer system in connection with the Waterfront Transportation Project on the Embarcadero. The Port advises that the total estimated cost of this project is \$400 million. The \$700,000 represents the Port's share of costs for this project. The remaining \$399.3 million (\$400 million less \$700,000) will be paid for by Federal and State grant funds, State Rail Bond funds, and local Sales Tax.. The Port reports that these monies would be workordered to the Department of Public Works (DPW). Mr. John Pons of the DPW advises that the contractor has not, as yet, been selected for the Embarcadero Roadway Drainage Project,

Ferry Building Shear Wall - \$401,876

This project involves (1) the installation of new shear walls (walls which are reinforced with plywood to increase seismic

safety) in the Ferry Building, (2) the increase of the ground level opening in the Ferry Building tower, in order to facilitate access, (3) an increase in the wall thickness on the tower shear walls, (4) the provision of large openings on the shear wall on the Embarcadero facade, and (4) the relocation of a portion of the shear wall, in order to better accommodate the final proposed reconstruction of the Ferry Building. The Port has not selected a contractor to perform the construction work.

Comment:

As noted above, the contractors have not, as yet, been selected to perform the necessary work in connection with the proposed capital improvement projects. Additionally, the Port has not developed the specific budget details for the project work that is to be performed in-house. As such, the proposed legislation should be amended to place the entire \$2,993,539 on reserve pending (1) the Port's submission of the MBE/WBE status of the contractors and the contract costs details and (2) the detailed costs for the project work that is to be performed in-house.

- Recommendations:**
1. Amend the proposed ordinance to place the entire \$2,993,539 on reserve, pending (1) the Port's submission of the MBE/WBE status of the contractors and the contract cost details and (2) the detailed costs for the project work that is to be performed in-house.
 2. Approve the proposed ordinance as amended.

Item 10 - File 101-94-108

Department: Department of Public Works (DPW)

Item: Ordinance appropriating \$9,340,000 from the Department of Public Work's Clean Water Operating Fund to the Department of Public Work's Capital Improvement Project (Sewer System Improvements) for Fiscal Year 1994-95.

Amount: \$9,340,000

Source of Funds: FY 1994-95 Clean Water Operating Fund
(Fund will be reimbursed out of proceeds of the 1995 Sewer Revenue Bonds)

Description: In November of 1994, the San Francisco electorate approved the issuance and sale of \$146,075,000 of City and County General Purpose Sewer Revenue Bonds for the purpose of acquiring, constructing, improving and financing improvements to the existing municipal sewage treatment and disposal system, including (a) flood control improvements to the existing sewage system; (b) the rehabilitation and upgrade of sewer pipes, overflow structures, outfalls, pump stations and treatment plants; and (c) planning and design work on discharge alternatives required to meet new Regional Water Quality Control Board regulations.

In May of 1994, the Board of Supervisors approved a resolution authorizing and directing the sale of City and County of San Francisco Sewer Revenue Bonds, Series 1995, for an aggregate initial principal amount not to exceed \$62,500,000, for the purpose of acquiring, improving and financing the City's municipal sewage treatment and disposal system. (File 170-95-4.1). According to Ms. Ann Carey of DPW, the sale of the 1995 Sewer Revenue Bonds is scheduled to occur at the end of June, 1995.

On February 1, 1995, the Board of Supervisors approved a resolution which provided that proceeds of the 1995 Sewer Revenue Bonds could be encumbered to reimburse expenditures incurred in connection with sewer system improvements prior to the issuance and sale of any series of Bonds (170-95-2). Ms. Carey advises that the projects, to be funded by the proposed supplemental appropriation, are scheduled to begin, pending approval of the proposed ordinance by the Board of Supervisors. As such, DPW is authorized to begin the proposed projects prior to the sale of the 1995 Sewer Revenue Bonds at the end of June, 1995.

The proposed supplemental appropriation would fund the following three categories of Sewer System Improvements (1) Collection System Improvements, (2) Major Rehabilitation and Upgrading of Existing Systems, and (3) Bayside Discharge Improvements for a total amount of \$9,340,000. Attachment 1, provided by DPW, provides a description of each component project, and the cost for each project, within the categories Nos. 1, 2, 3, noted above. There are nine component projects within these categories, including (1) Flood Control Projects (\$350,000), (2) Structurally Inadequate Sewers Projects (\$2,280,000), (3) Bayside Distributed Control System Phase II (\$3,500,000), (4) Southwest Ocean Outfall Rehabilitation Project (\$200,000), (5) Northshore Pump Station Reliability Improvements (\$200,000), (6) Channel Pump Station Variable Speed Control Improvements Project (\$110,000), (7) Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade (\$1,200,000), (8) North Point Wet-Weather Water Pollution Control Plant, Phase I (\$900,000), and (9) Bayside Discharge Improvements (\$600,000).

Budget:

Sewer Service Improvement Project:

DPW Bureau of Engineering (30,170 hours @ approximately \$62.5 per hour)	\$1,886,072
DPW Bureau of Construction Management (2,290 hrs. @ approximately \$64.5 per hour)	147,820
DPW Bureau of Architecture (1,000 hours @ approximately 72.5 per hour)	72,479
Real Estate Department (180 hours @ approx. \$86 per hour)	15,475
Department of Parking and Traffic (120 hours @ approximately \$83.3 per hour)	10,000
Department of City Planning, permits for Environmental Impact Review-fees based on project size	160,000
Construction Consultants (See Comment No. 1)	1,224,000
Construction Contractors (See Comment No. 2)	<u>5,824,154</u>
TOTAL	\$9,340,000

Comments:

1. Mr. Manfred Wong of DPW advises that \$1,224,000 of the proposed funds would be used to provide construction consultant services for four of the nine projects. Of this amount, Mr. Wong advises that six consultants have been selected to perform consulting work, for an amount of \$874,000. Consultants for the remaining amount of \$350,000 (\$1,224,000 - \$874,000) have not yet been selected. As such,

an amount of \$350,000 should be reserved pending the selection of the consultants, the MBE/WBE status of the consultants, and contract cost details. The following consultants have been selected: (1) Hydro-Consult Engineer (\$30,000), (2) Deleuw Cather (\$110,000), (3) Business Development, Inc. (\$15,000), (4) Site Assessment Consultants (\$30,000), (5) EIP Associates (\$150,000), and (6) CH2M Hill, Inc. Consultants (\$539,000).

Ms. Wendy Iwata of DPW advises that Hydro-Consult Engineers entered into a Master Agreement with DPW, as part of a competitive process in 1989. Hydro-Consult Engineers is a one-person firm. Hydro-Consult Engineers is not an MBE or an WBE firm. Ms. Iwata advises that Hydro-Consult Engineers was selected for this project to conduct hydraulic analysis, for an amount of \$30,000, based on Hydro-Consult Engineer's prior related, and specialized work experience with DPW. Hydro-Consult Engineers would provide approximately 389 hours of work at \$77 per hour.

Ms. Iwata advises that Deleuw Cather entered into a Master Agreement with DPW in 1980, through a competitive bid process, to provide services related to sewer system improvements and clean water projects. Deleuw Cather is not an MBE or WBE firm. Ms. Iwata advises that Deleuw Cather was selected for this project to conduct an analysis to determine the most effective method of waste water discharge, for an amount of \$110,000, based on Deleuw Cather's prior related, and specialized work experience with DPW. Deleuw Cather would provide 300 hours of work at \$100 per hour. Deleuw Cather would use one subcontractor, EPC Consultants, for an amount of \$80,000. EPC Consultants is an MBE firm. EPC Consultants would provide 1,111 hours of design, support and coordination work at \$72 per hour.

Ms. Iwata advises that Business Development Inc. entered into a Master Agreement with DPW in 1989, on a sole-source basis, to provide community outreach to communities directly impacted by DPW's clean water projects, and sewer system improvement projects. The firm, Business Development Inc. is both located in and works with the Bayview Hunters Point community, which is directly impacted by these projects. Business Development Inc. is an MBE firm. Ms. Iwata advises that Business Development Inc. was selected for this project, for an amount of \$15,000, in order to conduct community outreach in the Bayview Hunters Point area, based on Business Development Inc's prior related, and specialized work experience with DPW. Business

Development Inc. would provide approximately 106 hours of work at \$141.48 per hour.

Ms. Iwata advises that the Site Assessment Consultants are an existing list of consultants that the Bureau of Construction Management (BCM) has selected through a competitive process. These consultants are used on a rotating basis to test soil for toxic materials, and to complete various components of the Environmental Impact Review (EIR) process. The amount of \$30,000 has been determined by BCM, as the amount required to complete the required components of the EIR.

Ms. Iwata advises that EIP Associates entered into a Master Agreement with DPW in 1988, through a competitive bid process, to prepare Environmental Impact Review reports. EIP Associates is not an MBE or WBE firm. Ms. Iwata advises that EIP Associates was selected for this project to prepare the EIR report for the Bayside Discharge Improvement project, for an amount of \$150,000, based on EIP Associate's prior related, and specialized work experience with DPW. EIP Associates would provide approximately 1,928 hours of work at \$77 per hour for a total of \$148,500. The remaining \$1,500, for a total of \$150,000, would be used for materials and supplies.

Mr. Harland Kelly of DPW advises that CH2M Hill, Inc. Construction was selected through a competitive process in June of 1991 to design a Distribution Control System for the Bayside Sewer System facilities, which included the Southeast Water Pollution Control Treatment Plan. The Distribution Control System is used to monitor and provide computer control for the water pollution control facilities. CH2M Hill, Inc. is not an MBE or WBE firm. The proposed funds, in the amount of \$539,000, would be used for the design of a Distribution Control System for the Southeast Water Pollution Control Treatment Plant, and for project management. CH2M Hill, Inc. would provide 5,900 hours of design work at \$80 per hour, or \$472,000, and 609 hours of project management at \$110 per hour, or \$67,000, for a total of \$539,000.

2. Mr. Wong advises that DPW has not yet selected contractors to provide services for the Construction phase of the projects. As such \$5,824,154 should be reserved, pending the selection of the contractors, the MBE/WBE status of the contractors, and contract cost details.

Memo to Budget Committee
May 24, 1995

- Recommendations:**
1. Amend the proposed ordinance, to place \$350,000 on reserve for Construction Consultants, as noted in Comment No. 1 above, and \$5,824,154 on reserve for Construction Contractors, as noted above in Comment No. 2, for a total of \$6,174,154.
 2. Approve the proposed ordinance as amended.

PROJECT DESCRIPTION

1. Collection System Improvements

Over three quarters of the 900 miles of main and interceptor sewers in San Francisco are over 50 years old. The growth and extension of residential and commercial users on the system have taken up sewer capacity meant to carry storm water flow. Some sewers were not designed to have adequate hydraulic capacity to accommodate a five-year storm, which is the current design standard, and flooding occurs. Such flooding can cause damage to private and public property.

A. Flood Control Projects \$350,000

The Sunnydale Sewer Enlargement Project is one of the four projects identified in the bond issue. This project will alleviate flooding currently occurring on Kelloch, Velasco and Sunnydale Avenues. Work consists of new sewers to be constructed parallel to the existing sewers as follows:

- ☐ 270 feet of 33" sewer on Schwerin Street from Velasco Avenue to Kelloch Avenue.
- ☐ 683 feet of 48" sewer on the Velasco right-of-way from Kelloch Avenue to Tomaso Court.
- ☐ 864 feet of 60" sewer on the Velasco right-of-way from Tomaso court to Talbert Street.
- ☐ 382 feet of 60" sewer on Talbert Street from the Velasco right-of-way to Sunnydale Avenue.
- ☐ 540 feet of 72" sewer on Sunnydale Avenue from Talbert Street to Bayshore Boulevard
- ☐ 1,050 feet of 108" sewer on Sunnydale Avenue from Bayshore Boulevard to Tunnel Avenue.
- ☐ 2,700 feet of 108" tunnel sewer on Tunnel Avenue from Sunnydale to Beatty Avenue and on Beatty from Tunnel Avenue to the Sunnydale Transport/Storage box sewer.

B. Structurally Inadequate Sewers Projects 2,280,000

Annually, about \$7 million is expended in the replacement of pipe sewers in sizes from 12 to 36 inches. This work is funded through the Repair and Replacement program (R&R). In spite of this level of expenditure, there is a current and growing backlog of over 70 blocks of structurally inadequate sewers that are awaiting reconstruction. New candidates are being added faster than they can be scheduled due to the limited R&R funding. The following sewer replacement projects are awaiting design or construction funds:

- i. Turk Street, Larkin to Hyde, Class B Emergency Project.
- ii. Taylor Street, Lombard to Chestnut.
Jones Street, Chestnut to Columbus.
- iii. Day Street, Dolores to Church.
Randall Street, Chenery to Whitney.
Dolores Street, 30th Street to Day.
- iv. Church Street, Cumberland to 20 th Street.
25 th Street, Douglass to Diamond.
- v. Haight Street, Shrader to Cole.
Lyon Street, Bush to Sutter.
- vi. Kirkham Street, 23rd to 26th Avenues.
- vii. Other as-needed emergency sewer repair work.

2. Major Rehabilitation and Upgrading of Existing Systems

The treatment plants, pump stations, outfalls and overflow structures around the City are of varying age and condition. Because these facilities are important in collecting, treating and discharging sewage, we must be certain that they function to comply with Federal or State permit requirements.

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| A. | Bayside Distributed Control System Phase II | \$3,500,000 |
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The wastewater facilities are intended to be linked and controlled via computer systems and telemetry. This allows for maximum use of facilities and a minimum of operating staff. The supervisory control computer system installed in the Southeast Water Pollution Control Plant (SEWPCP) in 1980 is obsolete, and neither the software nor the hardware can be repaired. **The Bayside Distributed Control System Phase II Project** will replace the existing computer control system at the SEWPCP and ancillary facilities by completing installation of the Bayside Control System (Bayside I&C), which controls and monitors all Bayside wastewater facilities.

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| B. | Southwest Ocean Outfall Rehabilitation Project | 200,000 |
|----|--|---------|

The San Francisco Southwest Ocean Outfall (SWOO) was completed and began operation in 1986. The outfall was designed for significantly higher effluent flow rates than are presently experienced. Sedimentation and observed sea life in portions of the diffuser suggests frequent and persistent sea water intrusion in the outfall diffuser section. The buildup of sediment and saltwater intrusion can reduce the outfall capacity, which could then cause flooding at the Oceanside Water Pollution Control Plant (OWPCP) during wet weather events. **The Southwest Ocean Outfall Rehabilitation Project** consists of the following:

- ☐ Development of a methodology to clean the outfall and recover the sediment and trapped grease.
- ☐ Contracting out the cleaning of the outfall.
- ☐ Implementation of an engineering evaluation which includes pilot scale and full scale physical modeling of saltwater and sediment intrusion to determine the best way to prevent intrusion.
- ☐ Installation of test saltwater prevention devices.
- ☐ Implementation of a dye study of method of prevention initial dilution over one tidal cycle.

C. Northshore Pump Station Reliability Improvements \$200,000

Northshore Pump Station needs improvements to its control and pumping systems. Currently the station is subject to flooding due to inadequacies of gate control and the large pump flywheel. **The Northshore Pump Station Reliability Improvements Project** consists of evaluation of and improvements to the influent channel, gates and flywheel as well as possible addition of a surge chamber. These changes will improve reliability of the pump station and make it easier to control.

D. Channel Pump Station Variable Speed Control Improvements Project 110,000

The Channel Pump Station was constructed in the 1970's and put into operation in the 1980's. The variable speed controls are old and in need of repair. Improving and/or replacing the existing variable speed controls will result in energy savings, decreased maintenance and increased reliability. **The Channel Pump Station Variable Speed Control Improvements** consist of improving and/or replacing the existing variable speed controls of the main lift pump motors.

E. SEWPCP Anaerobic Digestion Upgrade 1,200,000

Anaerobic digestion is the breakdown of settled solid from the treatment process of concentrated organic nutrients (sludge) into biomass, water, methane and carbon dioxide. The SEWPCP has ten digesters which are large cylindrical vessels that contain the digestion process. It is estimated that one or two digesters need to be cleaned due to the buildup of inorganic debris. The digesters were constructed in 1951 and rehabilitated in the 1960's. All of the digesters have structural cracks and concrete deterioration due to corrosion and the floating covers are past their useful life.

- i. **The SEWPCP Anaerobic Digestion Repair Project** consists of cleaning and repairing two of the digesters to maintain service.
- ii **The SEWPCP Anaerobic Digestion Upgrade Project** consists of replacing five of the ten existing cylindrical digesters with new egg-shaped units, which will eliminate grit and scum buildup.

F. North Point Wet-Weather Water Pollution Control Plant, Phase I \$900,000

The North Point WPCP operated continuously from its construction completion in 1951 until 1983 as a major dry weather primary treatment plant. In 1983, the SEWPCP was completed and all dry weather functions were transferred there. Since then, the North Point WPCP has operated only during wet-weather conditions to control the number of combined sewage overflows entering the Bay along the northern waterfront area. The plant's mechanical, electrical control and support systems are now over 40 years old and are unreliable, difficult to repair, and costly to maintain. Structural fatigue and failure are becoming a frequent cause for concern. The plant has become a weak link in the City's overall combined sewer overflow control system. **The North Point WPCP Rehabilitation, Phase I** consists of rehabilitation of the existing pretreatment facility, replacement of the number one and two plant water systems, and replacement of all hydraulic gates in the plant. In addition, this project will also include the replacement of the building roof.

3. Bayside Discharge Improvements 600,000

The Bayside Discharge Improvements project is required by changes in the criteria for discharges into the San Francisco Bay Basin. This project will examine various approaches for the treatment, disposal and reuse of Bayside wastewater, in response to applicable policies and regulations:

- ☐ The City shall achieve compliance with the discharge prohibitions of the Regional Water Quality Control Board (RWQCB) Order 84-27 with respect to the prohibition of discharges with less than 10:1 initial dilution. In addition, the RWQCB Cease and Desist Order 88-105, as amended by Order 91-153, requires that the City select a discharge alternative complying with discharge prohibitions during wet weather, complete wastewater facility planning and achieved CEQA compliance.
- ☐ The RWQCB has issued a revised Basin Plan for the San Francisco Bay Area, which includes new and more stringent requirements for wastewater discharge into the Bay. The treatment level and discharge points shall be examined with respect to their ability to meet these new requirements.
- ☐ The 1975 Master Plan recommended the construction of a crosstown transport leading to the ocean discharge of all wastewater. That scheme will be evaluated and compared with continued Bay discharge.
- ☐ The option of wastewater reclamation will be examined, as the prolonged drought has caused the City to consider reusing wastewater rather than discharging it.

TOTAL \$9,340,000

Item 11 - File 101-94-109

Department: Civil Service Commission
Department of Human Resources (DHR)

Item: Ordinance appropriating \$300,000 from the General Fund, Civil Service Classification Study Reserve, to allow the Civil Service Commission to conduct a classification study for FY 1994-95, and placing \$300,000 on reserve.

Amount: \$300,000

Source of Funds: General Fund, Civil Service Classification Study Reserve

Description: The proposed ordinance would appropriate \$300,000 to the Civil Service Commission to fund a study of the classification and compensation of a limited group of City employees. The proposed ordinance would also place this \$300,000 on reserve.

The Civil Service Commission has requested that this item be continued to the call of the chair to allow the Civil Service Commission and the Department of Human Resources additional time to determine the scope, goals, and budget for a classification and compensation study.

The Board of Supervisors previously approved a resolution (File 221-94-4) urging the Mayor to urge the Department of Human Resources (DHR) to conduct a comprehensive classification and compensation study of City employees. Among the goals of such a study would be to reduce the number of job classifications in the City and establish a simplified, uniform approach to classifying jobs and setting salary levels in the City. According to Mr. Wendell Pryor, Director of the Department of Human Resources, with fewer and simpler job classifications and salary steps, the City would be better able to control its labor costs, and would be able to reduce the time and cost of conducting Civil Service examinations. Mr. Pryor reports that the cost of such a comprehensive study could range up to \$4.4 million.

Comments: 1. Funds for a classification and compensation study were reserved from the General Fund in FY 1991-92 in the amount of \$300,000. These funds have not yet been appropriated, and have been carried forward since 1991. However, a comprehensive classification and compensation study has not been conducted because the passage of Proposition L and the transfer of most employment functions into the Department of Human Resources, as well as the early retirement of senior

Civil Service Commission staff who would have managed such a study, precluded such a comprehensive effort, according to Ms. Anne Godfrey of the Department of Human Resources.

2. Mr. Pryor reports that a number of Memoranda of Understanding currently being negotiated or arbitrated between the City and employee organizations including the Municipal Executives Association, the Municipal Attorneys Association, and Local 21, contain draft language which would require the City to conduct classification and compensation studies regarding these groups of City employees. The Department of Human Resources is currently developing an estimate of the cost of conducting these classification and compensation studies. According to Mr. Pryor, the draft language in these MOUs would require that such classification and compensation studies be conducted and recommendations implemented by July 1, 1996.

3. As previously noted, the cost of a comprehensive classification and compensation study would be approximately \$4.4 million, according to the Department of Human Resources.

Recommendation: Continue this item to the call of the Chair, as requested by the Civil Service Commission and the Department of Human Resources.

Item 12 - File 155-95-5

Department: Police Department

Item: Ordinance authorizing payment of a reward to Robert K. Winn and Robert L. Forest.

Reward Amount:	Robert K. Winn	\$ 5,000
	Robert L. Forest	<u>5,000</u>
	Total:	\$10,000

Source of Funds: General Fund - FY 1994-95 Judgments and Claims Account

Description: On November 16, 1993, Mr. Dennis McCormick was doused with a flammable liquid and set on fire on the 900 block of Geary Street.

As part of the investigation into the crime against Mr. McCormick, the Police Department requested that the Mayor exercise his authority under Section 10.177.1 of the City's Administrative Code to offer a reward for information leading to the determination of the identity, apprehension and conviction of the persons responsible for this act of violence. In addition, the Police Department requested that the Mayor set the reward amount at \$10,000.

The Mayor approved the posting of the \$10,000 reward, and subsequent to the reward being posted, two eyewitnesses to the crime came forward and provided information which identified two suspects, as the people who doused Mr. McCormick with flammable liquid and set him on fire. On October 26, 1994, the two suspects pled guilty to attempted murder.

According to the Chief of Police, it is his opinion, and the opinion of the investigator in charge of handling this case, that the initial assistance of the above-mentioned eyewitnesses were critical in leading to the identity and apprehension of the two suspects. Consequently, the Mayor is requesting that the Board of Supervisors now approve the proposed ordinance which would authorize payment of a \$10,000 reward to the eyewitnesses to this crime.

Comment: The source of funds for payment of the proposed \$10,000 reward would be the FY 1994-95 Judgments and Claims Account of the General Fund. According to Mr. Matthew Hymel of the Controller's Office, as of May 17, 1995, the balance in the Judgments and Claims account was approximately \$3,000,000.

BOARD OF SUPERVISORS
BUDGET ANALYST

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Recommendation: Approve the proposed ordinance.

Item 13 - File 97-95-26

NOTE: This item was continued at the May 17, 1995 Budget Committee meeting. The analysis presented in this report is based on an Amendment of the Whole.

Department: Assessment Appeals Board (AAB)

Item: Ordinance amending Chapter 2B of the San Francisco Administrative Code by amending (1) Section 2B.9 to waive the filing fee for an application for a reduction in assessment in certain cases, (2) Section 2B.10 to allow the refund of only half the hearing fee if certain reductions in assessment are granted, (3) Section 2B.13 to allow Assessment Appeals Boards No. 2 to hear appeals involving property of less than \$20,000,000 except in certain designated areas and (4) Section 2B.18 to require the Assessment Appeals Board to accept the recommendations of hearing officers.

Description: An Amendment of the Whole to the proposed ordinance has been drafted and will be introduced at the Budget Committee meeting on May 24, 1995. This report reflects the Amendment of the Whole.

The Assessment Appeals Board (AAB) hears appeals from property owners who dispute assessments of property value arrived at by the Assessor's Office, and the resulting tax liability. Currently, two Assessment Appeals Boards, of three members each, exist. Members are selected by the Board of Supervisors from applicants involved in related fields.

Ms. Marilyn Cosentino of the AAB advises that the severe downturn in San Francisco real estate values and limited reductions in assessment by the Assessor have contributed to a sharp rise in appeals to the AAB since 1993, delaying the hearing of appeals and resulting in a severe backlog of cases. Ms. Cosentino further advises that State law provides that the taxpayer's opinion of value will prevail if an appeal is not decided within two years of filing, resulting in the possibility of a sharp fall in revenue to the City.

The proposed ordinance would amend Chapter 2B of the San Francisco Administrative Code as follows:

Section 2B.9

Currently, Section 2B.9 of the Administrative Code allows the waiver of the filing fee of \$30.00 for an application to the AAB only in indigent cases, in accordance with State law (California Government Code Section 68511.3). The proposed ordinance would add waivers of the filing fee for applications

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for which (1) the Assessor has recommended a reduced assessment in a written stipulation with the agreement of the City Attorney and the applicant, subject to formal AAB approval, (2) the applicant has requested the continuation of a reduced assessment granted by the Assessment Appeals Board in the previous tax year and (3) the applicant's opinion of the correct assessment value is not less than the prior year's assessment and any automatic annual increase for inflation allowed by law.

The Assessor's Office must reduce its official assessment of property value within a specified time period following a reduction of assessment by the AAB. If the Assessor's Office fails to do so, the official assessment reverts to its previous value and a separate appeal must be filed with the AAB to continue the reduction.

Section 2B.10

Currently, Section 2B.10 of the Administrative Code allows for a full refund of the hearing fee if the hearing results in certain reductions from the Assessor's assessment of property value. Hearing fees are based on a graded scale, increasing as the current assessed value of the property increases. The proposed ordinance would reduce the refund for such hearings to half the hearing fee.

Section 2B.13

Currently, Section 2B.13 puts no limitations on the applications Assessment Appeals Board No. 1 may hear and restricts most hearings of Assessment Appeals Board No. 2 to applications involving smaller, residential properties or personal property less than \$75,000. The proposed ordinance would allow Assessment Appeals Board No. 2 to hear applications involving properties assessed at less than \$20,000,000 except those properties located in certain designated areas in the City's financial district and along Van Ness Avenue.

Section 2B.18

Currently, Section 2B.18 allows the AAB to accept or reject the recommendation of a Hearing Officer on certain applications. Hearing Officers, selected from AAB members, are responsible for making recommendations on reductions in assessment values after conducting pre-hearing interviews. Such interviews are limited to applications involving residential properties of four units or less. The proposed ordinance would require the AAB to accept the recommendation of the Hearing Officer, provided that the applicant agrees with this recommendation. Ms. Cosentino

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advises that this practice would expedite the hearing process and is common in other Bay Area counties.

Comments:

1. According to Ms. Cosentino, the proposed amendment to Section 2B.9 would eliminate the payment of the filing fee for applicants who find it necessary to file appeals with the AAB because the Assessor's Office is unable to process the previous year's reductions in assessment value before its authority to do so expires. Mr. David Busse of the Assessor's Office advises that since the Assessor's Office expects to process all the previous year's reductions in assessment value before its authority to do so expires, the proposed change in filing fee waivers would have a negligible effect on revenues to the City.

2. Ms. Cosentino reports that the AAB spends an extensive amount of time conducting hearings involving larger commercial properties. She reports that the proposed reduction in refunds would compensate for this additional Board time. Mr. Victor Young of the AAB states that halving the hearing fee refund would reduce the current \$14,000 in annual fee refunds to an estimated \$7,000, resulting in \$7,000 in additional revenue to the City annually.

3. Ms. Cosentino advises that the proposed amendment to Section 2B.13, allowing Assessment Appeals Board No. 2 to hear applications involving properties assessed at less than \$20,000,000, except in certain designated areas, is designed to allow greater efficiency in scheduling hearings. Such improved efficiency should eliminate the present backlog of cases before the expiration of the two-year period, after which the City is obligated to accept the applicant's opinion of value. Ms. Cosentino further advises that appeals involving properties in the designated areas would be heard only by Assessment Appeals Board No. 1 to utilize the expertise of Board No. 1 in assessing the larger commercial properties located in these areas.

4. Ms. Cosentino advises that the total estimated cost for Assessment Appeals Board No. 2 in FY 1994-95 is \$42,000. She further advises that the total estimated cost for Board No. 2 in FY 1995-96, based on approval of the proposed amendment allowing more appeals to be heard by Board No. 2, would be \$78,000 or \$36,000 more than the current budgeted amount.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 14 - File 168-95-1

Department: Recreation and Park Department

Item: Resolution concurring with the general recommendations on the Park and Open Space Fund for fiscal year 1995-96, reserving approval or disapproval on specific acquisitions.

Description: A Park and Open Space Program, supported by the Open Space Fund, was first established in 1973 under the provisions of Section 6.413 of the City's Charter. Section 6.413 imposed an annual tax of 2.5 cents per hundred dollars of assessed property valuation, to be set aside for the Open Space Fund for a period of 15 years. Fiscal year 1989-90 constituted the 15th and last year of this program, which began in 1974. However, in November of 1988, San Francisco voters approved Proposition E, which extended the Open Space Acquisition and Park Renovation Fund an additional 15 years, from July 1, 1990 through June 30, 2005. Monies for the Open Space fund come from the 2.5 cent property tax.

According to Section 6.413 of the Charter, not more than 40 percent of the Fund in any year can be used for maintenance of previously acquired properties. The remaining money (60 percent of the total Open Space Fund) in the Fund must be allocated as follows: (1) at least 40 percent for acquiring and developing property; (2) at least 15 percent for renovation; (3) not more than 25 percent for maintaining property and recreational facilities acquired after FY 1990-91 for programs other than the After-School Recreation programs, and for administration; and (4) at least 20 percent for After School Recreation programs.

The Park and Open Space Program is administered by the Recreation and Park Department (RPD), with input from the Park and Open Space Citizens Advisory Committee. The General Manager of the RPD prepares an expenditure plan for annual allocation of the Open Space Fund on the basis of recommendations from the Park and Open Space Citizens Advisory Committee. The General Manager's Report containing this expenditure plan is then submitted to the Recreation and Park Commission and the City Planning Commission. The proposed resolution would indicate the concurrence of the Board of Supervisors with the joint recommendations of these Commissions (dated May 4, 1995) to adopt the expenditure plan contained in the General Manager's Report.

Mr. Phil Arnold, Assistant General Manager of RPD, advises that the Park and Open Space Program attempts to preserve a balance in the carry forward funds to maintain program levels in years when property tax revenues decline. Mr. Arnold states that the \$18,545,000 program budget for FY 1995-96 is based on a conservative estimate of \$15.8 million in property tax revenues, \$1.8 million in carry forward funds, and \$945,000 resulting from the allocation of funding for three projects that were closed out.

The Recreation and Park Department's proposed FY 1995-96 budget includes the following expenditures from the Open Space Fund:

	<u>Amount</u>	<u>Percent of Total Fund</u>	<u>Percentage of Remainder of Fund</u>
Total Park and Open Space Fund	\$18,545,000*	100.0%	
Maintenance of Previously Acquired and Developed Properties	<u>6,640,000</u>	37.8	
Remainder of Fund	<u>\$10,905,000</u>	<u>62.2%</u>	
Acquisition and Development Urban Forestry	5,822,663 1,000,000	33.3	53.4%
Renovation	1,885,000	10.7	17.3
Administration	1,016,337	5.8	9.3
After School Program	2,181,000	12.4	<u>20.0</u>
Allocation of 1995-96 Non-Maintenance Budget	<u>\$10,905,000</u>	<u>62.2%</u>	<u>100.0%</u>

*\$1 million of the \$18,545,000 total is a one-time allocation to the Urban Forestry component of the Acquisition and Development Fund. According to Mr. Arnold, the \$1 million consists of unallocated revenues from previous program years, and per the opinion of the City Attorney does not fall under the percentage by category provision.

Comments:

1. Based on information outlined in the spending plan for the total Program Budget of \$18,545,000, the percentage of the Fund proceeds to be expended for each category of expenditures is in conformance with the requirements of the Charter provisions of Section 6.413.

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2. The proposed resolution provides that the Board of Supervisors concurs with the joint recommendations of the Recreation and Park Commission and the City Planning Commission concerning proposed 1995-96 Open Space expenditures, with the reservation that the Board of Supervisors may approve or disapprove any specific acquisitions for which funding might be provided in the 1995-96 Open Space budget.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 15 - File 96-94-4

Note: This item was continued by the Budget Committee at its meeting of January 11, 1995.

Departments: Real Estate Department
Department of Public Works (DPW)

Item: Ordinance authorizing the sale of real property to Lillian L. Chen and Franklin K. Chen, as joint tenants, and adopting findings pursuant to City Planning Code Section 101.1.

Amount: \$30,000

Description: The proposed ordinance would authorize the sale of a portion of surplus City-owned land under the jurisdiction of the Department of Public Works (DPW). The parcel to be sold includes the newly constructed Eighth Avenue retaining wall and consists of approximately 410.5 square feet of surplus DPW land. The proposed buyers, Lillian Chen and Franklin Chen, presently own 3,089.5 square feet of land adjacent to the subject parcel.

The 3,089.5 square feet of land already owned by Lillian Chen and Franklin Chen, plus the adjacent 410.5 square foot parcel proposed to be sold to Lillian Chen and Franklin Chen, for a total of 3,500 square feet, would be subdivided into two lots for the purpose of constructing two single-family homes to replace a two-unit flat damaged by the 1989 Loma Prieta earthquake. The proposed ordinance would authorize the sale of the 410.5 square feet of property, without seeking competitive bids, to the above-mentioned individuals for \$30,000.

Comments: 1. Under the terms of the proposed sale, the purchasers would be responsible for the maintenance of the Eighth Avenue retaining wall which traverses the property. The Real Estate Department estimates that the cost to maintain this retaining wall would be approximately \$7,000, based on the Real Estate Department's estimated cost to purchase liability insurance for the retaining wall and to maintain and repair the retaining wall in perpetuity.

2. Mr. Larry Jacobson of the Real Estate Department reports that the purchase price established for the subject parcel was based on the parcel's estimated fair market value of approximately \$95 per square foot, or \$38,998 for 410.5 square feet (410.5 square feet x \$95 per square foot), less the estimated cost to maintain a retaining wall of approximately

\$7,000, for a purchase price of \$31,998. Mr. Jacobson advises that this amount was rounded down to \$30,000.

3. According to Mr. Jacobson, the reason that the property is being sold without seeking competitive bids, is because competitive bidding in this situation would have been impracticable or impossible. Mr. Jacobson advises that this is because the subject parcel is inaccessible from any roadways, is adjacent to Lillian Chen's and Franklin Chen's property and has limited potential uses.

4. The Department of City Planning reports that the proposed sale is in conformity with the Master Plan and consistent with the eight priority policies of Planning Code Section 101.1.

5. According to Mr. Jacobson, the proceeds to the City of \$30,000 from the sale of surplus DPW land would be used to reimburse the Real Estate Department for its sales expenses (\$5,000), with the remaining \$25,000 (\$30,000 less \$5,000) to be deposited in the DPW's Real Property Trust Fund (used for the acquisition of land and improved property), subject to future appropriation approval by the Board of Supervisors.

Recommendation: Approve the proposed ordinance.

Item 16 - File 97-95-21

1. This item is an ordinance amending Article II of Chapter 2 of the Administrative Code by adding Section 2.10, which would require (a) a public hearing by the Board of Supervisors on reports submitted by the Grand Jury and (b) a report from the Controller on the status of the implementation of the Grand Jury's recommendations.

2. The Presiding Judge of the Superior Court impanels the Civil Grand Jury. The State Penal Code permits the Board of Supervisors to submit comments on the Grand Jury's reports to the Presiding Judge. According to the City Attorney's Office, neither the State Penal Code nor the City's Administrative Code mandates such hearings. Still, the Government Efficiency and Labor Committee conducts hearings on the Grand Jury's reports and prepares comments for submission to the Presiding Judge of the Superior Court. The proposed ordinance would amend the Administrative Code to require the Board of Supervisors to conduct public hearings on Grand Jury reports, thereby formalizing this already existing procedure.

3. The City Attorney's Office advises that, presently, the process of implementing the Grand Jury's recommendations is not formally tracked by any City agency. The proposed ordinance would require the Controller to submit a report to the Board of Supervisors on the extent to which the Grand Jury's recommendations pertaining to fiscal matters have been implemented by no later than one year following the date of the hearing.

4. According to Mr. John Madden of the Controller's Office, whether the Controller's Office would need additional resources to monitor the implementation of Grand Jury recommendations depends on the degree of complexity of those recommendations. Mr. Madden advises that, if the Grand Jury's recommendations are less complex, as in recent years, it is likely that the Controller's Office could absorb this additional function with the use of its existing resources.

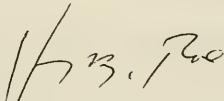
Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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Item 17 - File 100-95-5

This item is a hearing to consider the Zero-Base Budget Analysis of the Budget Analyst. Refer to the Budget Analyst's separate FY 1995-96 Zero-Base Budget Analysis report dated May 22, 1995.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

Plot 41 Hardstands Phase B. Contract No. 5826B

Construction/Paving	\$14,458,035
Architecture, Engineering, Insp. (15% of contract)	2,168,705
Contingency (7.5% of contract)	<u>1,084,353</u>
Total	\$17,711,093

The contractor for this project is Pavex Construction. Pavex Construction is not an MBE/WBE firm. However, Pavex Construction is subcontracting with:

√ the MBE firm of P&K Trucking for approximately .3 percent of this contract (\$50,000 of the total \$17,711,093);

√ the MBE firm of R&W Concrete Construction for approximately 4.7 percent of this contract (\$839,042 of the total \$17,711,093);

√ and the MBE firm of Rosas Construction for approximately 7.7 percent (\$1,367,984 of the total \$17,711,093) of the contract amount.

Total MBE participation equals \$2,257,026, or approximately 12.7 percent of the total contract amount.

Also, Pavex Construction has subcontracted with the WBE firm of JMB Construction for approximately 9.1 percent (\$1,612,750) of the total contract.

Noise Insulation Funding

South San Francisco	301 homes @ \$15,000 each	\$4,515,000
San Bruno	193 homes @ \$15,000 each	2,895,000
Daly City	647 homes @ \$15,000 each	9,705,000
Millbrae	<u>61 homes @ \$15,000 each</u>	<u>915,000</u>
Total	1,202 homes	\$18,030,000

These funds are paid directly to the above-noted Cities in exchange for noise easements which were previously transferred to the Airport.

Comment: The above-noted contractors were the low bidders. The Attachment obtained from the Airport lists all of the bidders and the bid amounts.

Recommendation: Release the requested reserved funds in the amount of \$35,977,753.

Nine bids were received on January 18, 1995 as follows:

<u>Name of Firm</u>	<u>Bid Amount</u>	<u>HRC</u>	<u>Revised Bid Amount</u>
Miller/Thompson Constructors, Inc.	\$193,192.00	WBE/LBE (10%)	\$173,872.00
Tank Protect Engineering	\$227,780.00	- 0 -	\$227,780.00
Nationwide Construction Co./Shimmick Construction Co., A Joint Venture	\$340,992.00	J.V (7.5%)	\$315,417.60
Universal Environmental	\$322,324.00	- 0 -	\$322,324.00
MH Construction	\$360,406.40	MBE/LBE (10%)	\$324,365.76
Pavex Construction	\$389,000.00	WBE/LBE (10%)	\$350,100.00
Lowery Engineering Construction	\$377,500.00	- 0 -	\$377,500.00
Seward Company	\$392,630.00	- 0 -	\$392,630.00
Myron Demolition & Excavation	\$439,382.00	WBE/LBE (10%)	\$395,443.80

CONTRACT NUMBER 5826B, PLOT 41 HARDSTANDS - PHASE B

Five bids were received on March 21, 1995 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
Pavex Construction	\$14,458,034.00
Homer J. Olsen, Inc.	\$15,743,540.00
Oliver de Silva, Inc.	\$15,788,000.00
Ghilotti Brothers Construction, Inc.	\$16,594,969.00
Shimmick Construction Company	\$18,886,090.00

NOTE: In accordance with MBE/WBE/LBE Ordinance, preferences are not in effect on contracts over \$10 million.

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Item 1b - File 101-92-23.3

Department: Department of Public Health (DPH)
San Francisco General Hospital (SFGH)

Item: Release of reserved funds in the amount of \$88,614, for the installation of heating and ventilation equipment at SFGH.

Amount: \$88,614

Source of Funds: General Fund monies previously appropriated but reserved

Description: On December 30, 1992, the Board of Supervisors approved a supplemental appropriation (File 101-92-23) which appropriated \$1,400,000 to SFGH for the following projects: (1) the renovation of the business offices in Wards 14 and 15, (2) the renovation and relocation of the Emergency Department registration area and (3) the renovation of the Outpatient Department registration area. Of the total \$1,400,000 appropriation, \$260,000 was released and \$1,140,000 was placed on reserve pending the selection of contractors, the MBE/WBE status of the contractors and contract cost details.

The Board of Supervisors has previously released a total of \$1,051,386 of the \$1,140,000, leaving a balance of \$88,614 on reserve. The DPH is now requesting that the \$88,614 be released from reserve to be used to pay for contract services for the installation of heating and ventilation equipment in the business offices of Wards 14 and 15 at SFGH.

The DPH advises that through the department's competitive bid process, the DPH has selected Western Heating and Plumbing, based on a bid amount of \$105,799, as the lowest responsible bidder to install the heating and ventilation equipment. Western Heating and Plumbing is neither an MBE or a WBE firm. The two other firms which submitted bids are as follows:

	<u>Bid Amount</u>
Livco Heating & Sheet Metal, Inc. (neither an MBE or a WBE firm)	\$156,849
San Francisco Mechanical (neither an MBE or a WBE firm)	\$154,345

Comment: As noted above, the Western Heating and Plumbing contract amount is \$105,799 or \$17,185 more than the requested \$88,614. The DPH advises that the \$17,185 balance will be

BOARD OF SUPERVISORS
BUDGET ANALYST

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paid for from funds budgeted in the DPH's Facilities
Maintenance account for FY 1994-95 .

Recommendation: Approve the proposed release of reserved funds.

Item 1c - File 101-92-60.9

Department: Fire Department
Department of Public Works (DPW)

Item: Requesting the release of reserved funds from the Fire Department 1992 Proposition C Bond Issue Fund, in the total amount of \$498,000, for the purpose of funding construction, hazardous material abatement, and construction services for Fire Station No. 9.

Source of Funds: 1992 Proposition C Fire Protection Bond Issue Fund (Series 1993D)

Amount of Funds: \$498,000

Description: In November of 1992, the voters of San Francisco approved the Proposition C Fire Protection Bond Issue. A total of \$40.8 million in General Obligation bonds were approved to finance improvement costs related to various Fire Department facilities.

In May of 1993, the Board of Supervisors approved an appropriation request of \$15,204,533, from the Series 1993D bond sale, for such projects as seismic strengthening, disabled access, and the construction of separate restroom facilities for male and female firefighters. The Board of Supervisors placed \$10,788,125 on reserve, pending the selection of contractors, the MBE/WBE status of the contractors, and the contract cost details. The proposed release of reserved funds, in the amount of \$498,000, would be used to pay for the construction contract at Fire Station No. 9, located at 2245 Jerrold Avenue, for disabled access, separate facilities for female firefighters, and the modification of the mechanical and electrical system, DPW's cost for construction management and inspection services, and various renovations, including, asbestos abatement, and hazardous material abatement.

DPW selected Chiang C. M. Construction, for an amount of \$381,828 for the construction work at Fire Station No. 9. Chiang C. M. Construction is an MBE and LBE firm. As such, Chiang C. M. Construction was awarded a 10 percent bid preference by the Human Rights Commission, which lowered Chiang C. M. Construction's bid from the fourth lowest bid to the second lowest bid. The lowest bid, submitted by K.P. Lam Construction, for an amount of \$370,000, was deemed unresponsive by the Human Rights Commission because K.P. Lam Construction's bid was

incomplete. As such, Chiang C. M. Construction, which met all of HRC's subcontracting goals, and submitted a complete bid, was awarded the contract. The funds to be expended are as follows:

Budget:

Fire Station No. 9 (2245 Jerrold Avenue)

Construction Contract (seismic strengthening and modifications of electrical system) - Chiang C.M. Construction	\$381,828
Construction Contingency (12.5%)	47,742
Asbestos Abatement/Monitoring- DPW	5,630
Construction Services (Management/ Inspection) - DPW	39,500
Construction Administration	<u>23,300</u>
TOTAL	\$498,000

Comments:

1. Mr. Peter Wong of DPW has provided the following contract cost details, including the MBE and WBE participation, for the \$381,828 construction contract for Fire Station No. 9. It should be noted that the construction contract, in the amount of \$381,828, is based on the two following components: (1) the base bid of \$379,800, and (2) Alternate #1, in the amount of \$2,028. Mr. Wong advises that all of the contractors submitted a bid for an additional project component to their base bid, called Alternate #1, to install an apparatus door at Fire Station No. 9. An apparatus door is a garage door that opens from the bottom up, section by section. According to Mr. Wong, the Alternate #1 bid would be funded from the 1992 Proposition C Fire Protection Bond Issue Fund, in the event that the base bids were lower than estimated, thus providing DPW with sufficient funds. Mr. Wong advises that DPW was able to fund the Alternate #1 bids submitted by the contractors. However, Mr. Wong advises that the percentages of MBE and WBE participation are based on the base bid. The contract cost details are as follows:

Prime Contractor, MBE/LBE (29.6%)

Chiang C. M. Construction
(overall construction oversight, electrical) \$112,454

Subcontractors, MBE (46.5%)

Chen's Plumbing, Inc.	\$14,200
D & S Associates	1,200
Pioneer Roofing	26,700
Wil Electric	34,000
Yum's Mechanical	77,000
Majestic	<u>23,500</u>

Subtotal, MBE subcontractors 176,600

Subcontractor WBE (5.1%)

City Lumber 19,510

Other Subcontractors (18.8%)

Byron Exp.	\$48,256
B.K. Mill	13,680
Kane Interior	3,300
Joe Wang	<u>6,000</u>

Subtotal, non MBE/WBE Subcontractors 71,236

TOTAL FIRE STATION NO. 9 CONTRACT \$379,800
(Contract total only includes the base bid)

2. The Attachment provided by DPW contains the cost details for Construction Services (\$39,500) and Construction Administration (\$23,300).

Recommendation: Approve the proposed release of reserved funds.

SFFD FIRE STATION NO. 9

BREAKDOWN OF EXPENDITURE FOR CONSTRUCTION SERVICES

Bureau of Architecture/DPW
Construction Administration

	RATE	HOURS	TOTAL
BOA Sr. Architect	\$80/hour	61	\$ 4,880
Architectural Assoc.	60/hour	307	<u>18,420</u>
			\$23,300

Bureau of Construction Management/DPW
Construction Services Management/Inspection

Inspection - Inspector	\$75/hour	294	22,050
Supervisory - Resident Engineer	90/hour	107	9,630
Administrative Support - Secretary	55/hour	144	<u>7,820</u>
			\$39,500

PW213.PW-6

Item 1d - File 101-94-6.3

Department: Fire Department
Department of Public Works (DPW)

Item: Requesting the release of reserved funds, in the amount of \$68,485, for repairs to the Fire Department's Auxiliary Water Supply System (AWSS) at the intersections of Loomis Street and Oakdale Street, and Loomis Street and Industrial Street.

Amount: \$68,485

Source of Funds: 1986 Fire Protection System Improvement Bond Interest

Description: In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement Bonds (Proposition A) to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs and cisterns, pipelines, and pump stations which will provide a source of water for fire protection in the event that the main water supply system fails, as it did following the 1906 earthquake.

In 1987, the City sold \$31 million of the \$46.2 million bonds approved by the voters and sold the \$15.2 million balance (\$46.2 less \$31 million) of the bonds in 1991. In April 1991, the Board of Supervisors appropriated the \$15.2 million proceeds from the second sale of bonds. As of April 30, 1994, there was a balance of approximately \$10.96 million in accrued interest earned on the 1987 and 1991 Bond proceeds (the City invests bond proceeds when the bonds are sold, and disburses the proceeds as they are appropriated). In July, 1994, the City appropriated \$2.4 million in accrued interest, and placed \$2.0 million on reserve.

The proposed release of reserved funds, in the amount of \$68,485, would be used to repair leaking water mains at the intersections of Loomis Street and Oakdale Street, and Loomis Street and Industrial Street. Mr. Robert Jew of DPW advises that these water main pipes began leaking at Loomis Street and Oakdale Street in May of 1994 and at Loomis Street and Industrial Street in January of 1995, causing the water flow to be shut-off in these two areas. Mr. Jew advises that because these areas are isolated, and other water sources could be used in case of an emergency until the pipes could be repaired, the Fire Department did not declare an emergency situation. However, Mr. Jew advises that these water mains need to be repaired to restore the water flow to this area.

DPW has awarded a contract to the lowest of five bidders, Cal North Engineering, which submitted a bid of \$51,350. Cal North Engineering is an LBE firm, and is not an MBE or WBE firm. The funds are to be expended as follows:

Construction Contract- Cal North	
Engineering	\$51,350
Contingency (7.5%)	5,135
Construction Management (DPW)	<u>12,000</u>
TOTAL	\$68,485

Comments:

1. Mr. Jew advises that there were no Human Rights Commission subcontractor hiring goals for this project because the contract was estimated to be bid for approximately \$50,000, which is the maximum contract size not requiring subcontractor participation. Mr. Jew advises that Cal North Engineering will be using one subcontractor, Clarke Construction, for an amount of \$6,000. Clarke Construction is an LBE firm and is not an MBE firm or an WBE firm.
2. Mr. Jew advises that the construction is scheduled to begin pending approval by the Board of Supervisors, and is scheduled to be completed by October of 1995.
3. Attachment 1, provided by DPW has provided the attached list of the bidders and the amounts bid.
4. Attachment 2 provided by DPW contains the cost details for Construction Management (\$12,000).

Recommendation: Approve the proposed release of reserved funds.

Department of Public Works
Bidders for the AWSS Repair Project

1. Cal North Engineering	\$51,350
2. E. Mitchell, Inc.	\$58,500
3. A Ruiz Construction Co. & Associates	\$74,600
4. P & J Utility	\$98,000
5. Nationwide Construction & Shimmic Construction	\$106,600

File 101-94-613Loomis Street at Oakdale and Loomis at Industrial, AWSS RepairConstruction Management Cost Breakdown

	<u>Hours</u>	<u>Average Cost/Hr</u>	<u>Cost</u>
DPW Labor	153	67	\$10,251
DPT Labor	40	44	<u>1,760</u>
			<u>\$12,011</u>

Use \$12,000

Item 1e - File 101-94-65.1

Department: Chief Administrative Officer (CAO)

Item: Release of reserved funds for the Chief Administrative Officer, in the amount of \$39,865.23

Amount: \$39,865.23

Source of Funds: General Fund Reserve

Description: The Board of Supervisors previously approved a supplemental appropriation request in the amount of \$46,089 to (a) pay for the CAO's vested, accumulated vacation and sick leave balances and (b) fund the City costs for related fringe benefits (File 101-94-65). At the same time, the Board placed the entire \$46,089 on reserve pending a final determination of the actual amount required to pay for these costs.

This request from the CAO's Office would cost \$39,865.23 including \$37,840.64 for a lump sum payment to the CAO for his vested sick leave and vacation balances and \$2,024.59 for the City's fringe benefit costs.¹ Of this \$39,865.23 amount, \$8,212.25 is being funded by surplus Convention Facilities, Solid Waste, Hotel Tax and Water Transportation Work Order Funds from the CAO's FY 1994-95 budget. Therefore, this request of \$39,865.23 should be reduced by \$8,212.25 to \$31,652.98 including \$30,045.45 for the lump sum payment and \$1,607.53 for the City's fringe benefit costs.

- Recommendations:**
1. Reduce the requested release of reserved funds by \$8,212.25, from \$39,865.23 to \$31,652.98.
 2. Approve the release of reserved funds in the amount of \$31,652.98, including \$30,045.45, for a lump sum payment to the CAO and \$1,607.53 for fringe benefit costs.

¹ This \$39,865.23 amount is less than the \$46,089 originally appropriated because the CAO took some vacation days prior to his retirement, thereby reducing the number of hours of vested vacation pay.

Item 2 - File 101-94-99

Department: Adult Probation Department

Item: Supplemental appropriation ordinance appropriating \$270,000 from the General Fund Reserve to permanent salaries and related expenses in order to maintain staffing for FY 1994-95.

Amount: \$270,000

Source of Funds: General Fund Reserve

Description: In FY 1994-95, the Adult Probation Department's salary savings were increased from five percent to eleven percent of permanent salaries by the Mayor's Office. As a result, the Adult Probation Department has projected a budgetary shortfall of \$270,000 in its permanent salaries, overtime, premium pay and fringe benefits accounts.

The Adult Probation Department advises that it has utilized its unpaid furlough program, which allows employees to take unpaid days off, in order to realize some savings. However, according to the Adult Probation Department, the Department would have to furlough all staff for an additional 17 days during the balance of FY 1994-95 in order to completely offset this projected budget deficiency, thereby severely disrupting the Department's functions, which are critical in preventing jail overcrowding and in complying with a Court-imposed Consent Decree.

The table below shows the Budget Analyst's projected budget deficiency in the Adult Probation Department's permanent salaries, overtime, premium pay and fringe benefits accounts for FY 1994-95:

<u>Expense Category</u>	<u>FY 1994-95 Budget</u>	<u>Actual Expenditures 7/1/94 - 5/5/95</u>	<u>Projected Expenditures 5/6/95 - 6/30/95</u>	<u>Total Estimated Surplus/ (Shortfall)</u>
Permanent Salaries	\$4,911,850	\$4,458,305	\$822,079	(\$368,534)
Overtime	21,000	862	156	19,982
Premium Pay	26,781	25,837	4,676	(3,732)
Fringe Benefits	<u>1,197,944</u>	<u>946,268</u>	<u>174,584</u>	<u>77,092</u>
Total	\$6,157,575	\$5,431,272	\$1,001,495	(\$275,192)

Comment: As reflected in the table above, although the projected budget deficiency is \$275,192, this supplemental appropriation request is for \$270,000, or \$5,192 less than the projected

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
May 24, 1995

budget deficiency. According to Mr. Roy Ellender of the Adult Probation Department, the Department will attempt to absorb the remaining \$5,192 projected budget deficiency within its existing budget.

Recommendation: Approval of the proposed supplemental appropriation ordinance is a policy matter for the Board of Supervisors.

Item 3 - File 101-94-100

Department: Hetch Hetchy Water and Power (HHWP)
Public Utilities Commission (PUC)

Item: Ordinance appropriating \$815,000 of Hetch Hetchy Water and Power, Operating Funds for FY 1994-95 for a capital improvement project to repair the Early Intake Access Road.

Amount: \$815,000 (see Comment No. 1)

Source of Funds: Hetch Hetchy Operating Funds

Description: In January of 1995, the Public Utilities Commission (PUC) declared an emergency in accordance with Section 6.3 of the San Francisco Administrative Code for a 400-foot section of the access road (known as the Early Intake Access Road) to the Hetch Hetchy Water and Power (HHWP) dam and power facilities at Early Intake, California. The road is the property of the City and County of San Francisco. The Early Intake dam, and Kirkwood and Holm powerhouses, accessed by the subject road, supply 85 percent of the water for the San Francisco Water Department and all electricity for City facilities. Heavy rains during January have resulted in the threat of an earthslide from the soil supporting the access road jeopardizing City personnel and housing below the road, and City power facilities.

The PUC has requested a waiver of normal contracting procedures in accordance with Section 6.3 of the San Francisco Administrative Code due to the existence of an emergency, and has selected Schnabel Foundation Company under the emergency expedited procedures to perform the repair work necessary to stabilize the subject road and prevent a potential earthslide. Mr. Everett Hintze of the PUC advises that work began March 27, 1995 and is scheduled to be completed by June 30, 1995 at a total cost of \$745,139 to be expended as follows:

Engineering and Construction Contract	\$594,450
Utilities Engineering Bureau (UEB)	
Engineering and Inspection Services	92,169
Consulting Services (geotechnical and structural engineering)	8,520
Contingency	<u>50,000</u>
Total	\$745,139

Comments: 1. As noted above, the actual cost of the repair work is \$745,139 or \$69,861 less than the requested amount of

BOARD OF SUPERVISORS
BUDGET ANALYST

\$815,000. According to Mr Hintze, the \$815,000 represents the original estimate for this repair work, prior to the selection of the contractor.

2. The PUC invited four contractors to submit proposed approaches to stabilizing the access road. After evaluating the feasibility of the proposed approaches, the PUC issued an Invitation for Bids and received responses from two of the four contractors. Mr. Hintze reports that the low bidder, Schnabel Foundation Company, which is not an MBE or WBE firm, was chosen. The bidders and the amounts bid, as provided by Mr. Hintze, are as follows:

Schnabel Foundation Company	\$594,450
Malcolm Drilling	\$1,015,000

3. Mr. Hintze advises that the PUC selected Woodward Clyde Consultants to provide (a) geotechnical consulting services for an estimated \$6,000 (an estimated 40 hours @ \$150/hour) and (b) structural engineering consulting services for \$2,520 (18 hours @ \$140/hour), for a total estimated cost of \$8,520. Mr. Hintze reports that Woodward Clyde was selected because the firm's previous experience with the area under construction made it the most qualified and economical choice. Woodward Clyde is not an MBE or WBE firm.

4. The Attachment, provided by Mr. Hintze, contains the cost details of the UEB Engineering and Inspection Services.

5. The Capital Improvement Advisory Committee (CIAC) recommends approval of the proposed ordinance.

6. As noted above, repair work on the Early Intake Access Road began March 27, 1995. Therefore, the title and the body of the proposed legislation should be amended to provide for the retroactivity of the subject repairs.

- Recommendations:**
1. Reduce the proposed legislation by \$69,861 from \$815,000 to \$745,139, in accordance with Comment No. 1 above.
 2. Amend the title and body of the proposed legislation to include retroactivity in accordance with Comment No. 6 above.
 3. Approve the proposed ordinance as amended.

**PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

FRANK M. JORDAN, MAYOR

ANSON B. MORAN, GENERAL MANAGER

MORTON MILLER
PRESIDENT
E. DENNIS NORMANDY
VICE PRESIDENT
MARION E. OTSEA
YASIN SALMA
ROBERT K. WEBER

UTILITIES ENGINEERING BUREAU
RICHARD E. BRANDT, MANAGER



WATER DEPARTMENT
HETCH HETCHY
WATER AND POWER

MEMORANDUM

TO: Mr. Jerome Sayre
Budget Analyst Office

FROM: Everett Hintz *EH*
UEB/PUC

DATE: May 18, 1995

SUBJECT: Early Intake Access Road, Slope Stabilization
UEB Engineering & Inspection Services, Cost Breakdown

As requested, the following is a breakdown of UEB projected costs for the subject project:

<u>Position (Class)</u>	<u>Rate/Day</u>	<u>Total Days</u>	<u>Cost</u>
Construction Manager (5210)	\$672	38	\$25,536
Resident Engineer (5208)	581	56	32,536
Construction Inspector (6318)	601	40	20,040
Survey Party Chief (5314)	478	13	6,214
Surveyor (5312)	415	13	5,395
Secretary (1446)	308	8	2,448
	TOTAL		\$82,169

If you need further information, please contact me at 554-0707.

EMH:ps425

cc: Larry Klein
Bill Mella
CED File: HH-848E

Item 4 - File 101-94-101

Department: Department of Parking and Traffic (DPT)

Item: Ordinance appropriating \$2,448,891, Department of Parking and Traffic, of Parking Meter Revenue Bond Proceeds and rescinding \$300,000 from the Vallejo Street Garage Capital Project to reimburse the Parking Revenue Fund for advances of \$596,554 and appropriating \$2,152,337 to the San Francisco General Hospital Garage capital project for Fiscal Year 1994-95.

Amount: \$2,748,891

Source of Funds: Parking Meter Revenue Bond Funds (\$2,448,891), and rescission of Previously Appropriated Capital Project monies (\$300,000).

Description: In December of 1994, the San Francisco Parking Authority sold \$25 million in Parking Meter Revenue Bonds to finance parking projects in the City. The Board of Supervisors previously appropriated \$21,000,000 (File 101-94-31) of these funds to the Department of Parking and Traffic for construction contracts and related expenses for the San Francisco General Hospital (SFGH) Garage, St. Mary's Square Garage, and Vallejo Street Garage.

The proposed ordinance would appropriate an additional \$2,448,891, and rescind and reappropriate \$300,000, for a total of \$2,748,891 in Parking Meter Revenue Bond funds to the Department of Parking and Traffic in order to; a) fund a portion of the construction contingency cost for the SFGH Garage, b) fund a portion of the cost of site cleanup and soil remediation at the site of the parking garage at San Francisco General Hospital, c) pay a portion of the moving costs for the San Francisco Municipal Railway (MUNI), which has already relocated from the site of the SFGH Garage, and, d) reimburse other City funds which were advanced to the SFGH Garage project.

Funds for these purposes are available from; a) \$2,448,891 in Parking Meter Revenue Bond funds which had been held as a bond reserve fund. The Department of Parking and Traffic has purchased bond insurance for these bonds, making the bond reserve funds no longer necessary, and, b) \$300,000 in Parking Meter Revenue Bond funds which had been appropriated to demolish the Vallejo Street Garage. The City has chosen not to proceed with the Vallejo Street Garage demolition project at this time, making these funds available for other uses.

Memo to Budget Committee
May 24, 1995 Budget Committee Meeting

Budget:	Construction contingency	\$128,967
	Site Cleanup and Soil Remediation	1,465,070
	MUNI Relocation	179,000
	Reimburse SFGH	379,300
	Reimburse Parking Revenue Fund	<u>596,554</u>
	Total	\$2,748,891

Comments:

1. As part of the \$21 million appropriation noted above (File 101-94-31), the Board of Supervisors previously approved an amount of \$11,376,792 for the SFGH Garage construction contract, which has been awarded to Nibbi Brothers. The SFGH Garage project budget also includes a construction contingency of \$1,314,161, based on 11.5% of the contract amount. Of this contingency amount, \$1,185,194 was approved by the Board of Supervisors in the earlier appropriation. The amount of \$128,967 in the proposed supplemental appropriation represents the remaining amount required to fund the construction contingency for the SFGH Garage project.

2. The estimated cost of cleanup and soil remediation at the SFGH Garage project site is \$4.9 million. The Department of Public Health and MUNI have agreed to share a portion of these costs with the Department of Parking and Traffic, according to Mr. Kevin Hagerty of DPT. However, because DPH and MUNI have not identified a source of funds for this project, the Board of Supervisors and the Controller previously requested that DPT identify project funding for the entire cost of the cleanup. The amount of \$1,465,070 in the proposed supplemental appropriation, together with a previous appropriation (File 101-94-31) of \$2,636,500 in Parking Meter Revenue Bond funds, and an advance of \$777,879 from the Parking Revenue Fund (later reimbursed with bond funds) have been identified by DPT as the funding sources for the cleanup and soil remediation, for a total of \$4,879,449.

3. The DPT reports that the SFGH cleanup and soil remediation project will be put out to bid, and a contractor will be selected, within the next two months. The Budget Analyst recommends that the funds for this contract, in the amount of \$1,465,070, be reserved pending submission of the

Memo to Budget Committee
May 24, 1995 Budget Committee Meeting

contract details, and the MBE/WBE status of the contractor, to the Board of Supervisors.

4. The site where the SFGH Garage is to be constructed was a MUNI maintenance facility. MUNI relocated the major functions of this facility as of September 1994. The SFGH Garage budget includes \$529,000 for MUNI's relocation costs, of which \$350,000 was appropriated in December of 1994 (File 101-94-31), and \$179,000 is included in the present appropriation.

5. Mr. Hagerty reports that the Vallejo Street Garage was previously scheduled to be demolished in order to facilitate cleanup and removal of underground storage tanks on the site, and the Board of Supervisors previously appropriated \$450,000 for this purpose and for construction of a surface parking lot on the site. However, due to public concerns about the Garage, the Department has decided not to demolish the building. Therefore, a total of \$300,000 may be rescinded from this project as is proposed in the subject ordinance. The remaining \$150,000 previously approved for the Vallejo Street Garage is required for project management and oversight of the underground tank removal, and other limited improvements, and should be retained in the budget for the Vallejo Street Garage, according to Mr. Hagerty.

6. The Parking Authority had previously been advanced \$379,300 from San Francisco General Hospital, and \$596,554 from the Parking Revenue Fund in order to be able to certify the construction contract for the SFGH Garage in advance of the December 1994 bond sale. The proposed ordinance would approve funds to reimburse these advances.

- Recommendations:**
1. Amend the proposed ordinance to reserve \$1,465,070, for the cleanup and soil remediation project, pending the DPT's submission of contract details, and the MBE/WBE status of the contractor, to the Board of Supervisors.
 2. Approve the proposed resolution, as amended.

Item 5 - File 101-94-103

Department: Department of Public Health (DPH)

Item: Supplemental Appropriation Ordinance appropriating \$775,049 for the Department of Public Health, from the General Fund Reserve for costs associated with the 1994-95 Memorandum of Understanding (MOU) for Staff Nurses and increased costs of nurses dental coverage, and providing for ratification of action previously taken.

Amount: \$775,049

Source of Funds: General Fund Reserve

Description: The Board of Supervisors previously approved (1) a resolution ratifying the MOU with the Service Employee International Union (SEIU) Local 790 for the following classifications: 2320 Registered Nurses, 2323 Clinical Nurse Specialists, 2330 Anesthetists, 2340 Operating Room Nurses, 2830 Public Health Nurses, 2328 Nurse Practitioners and P103 Special Nurses (File 93-95-1) and (2) an ordinance adjusting and fixing the schedules of compensation to be paid under the provisions of Charter Section 8.403 to employees occupying these classifications (File 103-95-1). This subject request would provide the monies needed to fund that MOU.

The MOU between the City and SEIU Local 790, which is for the period retroactive from May 1, 1994 through April 30, 1996, includes the following major fiscal provisions:

Schedule of Compensation

A two percent wage increase in FY 1995-96 is provided for each classification covered by this MOU. The Controller's estimated cost of this provision for FY 1995-96 is \$1,584,598 for salaries plus \$209,484 in related fringe benefits for a total increase of \$1,794,082.

Retirement Costs

Effective January 1, 1995, the City shall "pick up" one percent of the current 7.5 percent of employee's share of retirement costs. Effective July 1, 1995, the City's "pick up" of these costs shall increase to three percent of the employee's share of retirement costs. The Controller's estimated cost of this provision is \$354,730 for FY 1994-95 and \$1,447,298 for FY 1995-96.

Dental Insurance

Retroactive to July 1, 1994, dental insurance costs for each of the classifications covered by this MOU increased by \$29.85 from \$63.50 per month to \$93.35 per month. The Controller's estimated costs for this increase for FY 1994-95 is \$431,631.

In summary, the increased annual costs to the City for the fiscal provisions noted above are estimated as follows:

	FY <u>1994-95</u>	FY <u>1995-96</u>
Wage and Benefit Increase	0	\$1,794,082
Retirement Costs	354,730	1,447,298
Dental Insurance	<u>431,631</u>	<u>0*</u>
Total	\$786,361	\$3,241,380

* The zero cost estimates for FY 1995-96 assumes no increase in dental insurance rates.

The Budget Analyst concurs with the estimated costs of the Controller for the increased benefits which are identified in the MOU.

The proposed supplemental appropriation request would be expended by the DPH in the following accounts:

Retirement	\$386,609
Dental	<u>388,440</u>
Total	\$775,049

Comment:

As previously noted, the Controller's estimated additional cost for the increased benefits in the MOU for FY 1994-95 is \$786,361 or \$11,312 more than the requested amount of \$775,049. The DPH advises that the \$11,312 balance will be absorbed in the DPH's existing budget.

Recommendation: Approve the proposed ordinance.

Item 6 - File 101-94-104

Department: Department of Public Health (DPH)

Item: Supplemental Appropriation Ordinance appropriating \$991,116 for the Department of Public Health - Mental Health, of 1987 Mental Health Facility Bond Interest Earnings to the Mental Health Rehabilitation Skilled Nursing Facility capital improvement project for FY 1994-95.

Amount: \$991,116

Source of Funds: 1987 Mental Health Facility Bond Interest Earnings

Description: In November of 1987, San Francisco voters approved a \$26 million bond issue for the construction of a Mental Health Skilled Nursing Facility located at San Francisco General Hospital. The City sold the first series of bonds in June 1991 for \$23 million. This supplemental appropriation would be supported by interest earnings from this \$23 million bond issue. Specifically, the work to be performed includes the following.

Budget:	<u>Description</u>	<u>Projected Cost</u>
	1. Installation of a Built-in Work Island in Training Kitchen	\$5,000
	2. Conversion of Two Shell Spaces into Storage Rooms	4,600
	3. Addition of 26 Telephone Outlets	20,000
	4. Expansion of the Access Control system	152,694
	5. Modification of the 2nd & 3rd Floor Balcony Screens	43,000
	6. Installation of Balcony Overhangs	5,000
	7. Furnish & Install Signage	65,000
	8. Installation of Built-in Casework in Dirty Utility Rooms	5,000
	9. Installation of Built-in Casework in Conference Room	7,000
	10. Application of Asphalt Overlay on Existing Driveway	15,000
	11. Furnish and Install Trash Compactor	40,000
	12. Installation of a Built-in Security Paging System	50,000
	13. Installation of Security Gates on Potrero Ave.	35,000
	14. Installation of Pigeon Abatement System for Facility	45,000
	15. Installation of External Security Cameras	200,000

<u>Description</u>	<u>Projected Cost</u>
16. Modification of Courtyard Window Grills for Safety Reasons	\$39,000
17. Installation of Built-in Stage in the Gymnasium	25,000
18. Upgrade of Bathrooms to comply with ADA	22,600
19. Upgrades requested by S.F. Fire Department	83,222
20. Upgrades requested by State Fire Marshall	105,000
21. Arts Commission Artist-in-Residence Art Work Design & Installation	24,000
	<u>\$991,116</u>

Comments:

1. According to a memo from the Capital Improvement Advisory Committee (CIAC), which appears in the file, the use of this interest income for the requested purpose "appears to be an acceptable use of funds." CIAC recommends approval of this request.

2. This supplemental appropriation request will likely represent the final work for this Skilled Nursing Facility, according to the DPH. The history of appropriations from the \$23 million 1987 bond issue, is as follows:

- In 1987, the Board of Supervisors appropriated \$23 million and placed \$21,624,800 on reserve for construction costs pending departmental submission of contractors, their MBE/WBE/LBE status, and specific cost details;
- In August, 1992, S.J. Amoroso Construction was selected as the contractor, and the Board of Supervisors released \$19,223,287 million, leaving \$2,401,513 million on reserve;
- In October, 1993, the Board of Supervisors released \$1,035,000 to support the costs of removing and disposing of approximately 34,000 yards of serpentine (i.e., hazardous material), leaving \$1,366,513 on reserve;
- In April, 1994, the Board of Supervisors released \$632,500 to construct the parking lot for the Skilled Nursing Facility, leaving \$734,013 on reserve; and
- In August, 1994, the Board of Supervisors released \$733,759 to repair 99 windows, perform other internal building upgrades, and to fund additional management and inspection fees, leaving \$254 on reserve.

In addition, the Board of Supervisors approved an ordinance to appropriate \$972,000 for construction contingency costs in June, 1992. That appropriation was funded from interest earnings.

3. The contractor for this proposed project would be S.J. Amoroso, the general contractor for the Skilled Nursing Facility. According to Mr. Michael Lane of the Department of Public Works, the existing contract with S.J. Amoroso will be augmented to include the additional work noted above.

4. As previously noted, this proposed supplemental appropriation would be funded from interest earnings from the \$23 million 1987 bond issue. The Controller has certified that such interest earnings are available.

Recommendation: Approve the proposed Supplemental Appropriation ordinance in the amount of \$991,116.

Item 7 - File 101-94-105

Department: Sheriff's Department

Item: Supplemental appropriation ordinance appropriating and rescinding \$180,000 for overtime; subject of previous budgetary denial.

Amount: \$180,000

Source of Funds: Reappropriation of funds in the Sheriff Department's FY 1994-95 budget from Materials and Supplies

Description: During the FY 1994-95 budget review, the Sheriff's overtime budget was reduced by the Mayor's Office. However, factors such as (a) the opening of the new jail facility, (b) the delayed hiring of new Deputy Sheriff recruits to staff the new jail and (c) a requirement imposed by the State Fire Marshall to implement a fire watch at the new jail, have resulted in the increased need for overtime hours in the Sheriff's Department. As such, the Sheriff's Department is projecting a budget deficiency of \$180,000 in overtime expenditures for FY 1994-95.

The table below shows the Budget Analyst's projected budget deficiency in the Sheriff's overtime account for FY 1994-95:

<u>FY 1994-95 Budget</u>	<u>Actual Expenditures 7/1/94 - 5/5/95</u>	<u>Projected Expenditures 5/6/95 - 6/30/95</u>	<u>Total Estimated Shortfall</u>
\$1,160,632	\$1,141,374	\$240,000	\$220,742

As reflected in the table above, although the projected budget deficiency is \$220,742, this supplemental appropriation request is for \$180,000, or \$40,742 less than the projected budget deficiency. According to Sergeant Ridgeway of the Sheriff's Department, the Department will attempt to absorb the remaining \$40,742 projected budget deficiency within its existing budget by employing efficiencies.

Comments: 1. The Sheriff's Department advises that the recent renegotiation of a contract and the phased-in opening of the new jail since December, 1994 have resulted in a savings of approximately \$180,000 in the Sheriff's materials and supplies budget for FY 1994-95. The Sheriff's Department has proposed using these surplus funds to offset the projected budget deficiency in overtime.

Memo to Budget Committee
May 24, 1995

2. As previously noted, the funds being requested in this supplemental appropriation ordinance were previously denied by the Mayor's Office during the FY 1994-95 budget process. As such, the approval of this supplemental appropriation ordinance would require two-thirds vote by the Board of Supervisors.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Item 16 - File 97-95-21

1. This item is an ordinance amending Article II of Chapter 2 of the Administrative Code by adding Section 2.10, which would require (a) a public hearing by the Board of Supervisors on reports submitted by the Grand Jury and (b) a report from the Controller on the status of the implementation of the Grand Jury's recommendations.

2. The Presiding Judge of the Superior Court impanels the Civil Grand Jury. The State Penal Code permits the Board of Supervisors to submit comments on the Grand Jury's reports to the Presiding Judge. According to the City Attorney's Office, neither the State Penal Code nor the City's Administrative Code mandates such hearings. Still, the Government Efficiency and Labor Committee conducts hearings on the Grand Jury's reports and prepares comments for submission to the Presiding Judge of the Superior Court. The proposed ordinance would amend the Administrative Code to require the Board of Supervisors to conduct public hearings on Grand Jury reports, thereby formalizing this already existing procedure.

3. The City Attorney's Office advises that, presently, the process of implementing the Grand Jury's recommendations is not formally tracked by any City agency. The proposed ordinance would require the Controller to submit a report to the Board of Supervisors on the extent to which the Grand Jury's recommendations pertaining to fiscal matters have been implemented by no later than one year following the date of the hearing.

4. According to Mr. John Madden of the Controller's Office, whether the Controller's Office would need additional resources to monitor the implementation of Grand Jury recommendations depends on the degree of complexity of those recommendations. Mr. Madden advises that, if the Grand Jury's recommendations are less complex, as in recent years, it is likely that the Controller's Office could absorb this additional function with the use of its existing resources.

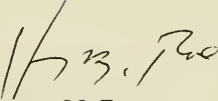
Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Budget Committee
May 24, 1995

Item 17 - File 100-95-5

This item is a hearing to consider the Zero-Base Budget Analysis of the Budget Analyst. Refer to the Budget Analyst's separate FY 1995-96 Zero-Base Budget Analysis report dated May 22, 1995.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

90.07

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3/1/95

cancelled

BOARD of SUPERVISORS



City Hall
San Francisco 94102
554-5184

NOTICE OF CANCELLED MEETING

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Budget Committee for Wednesday, May 31, 1995, has been cancelled.

The next regular meeting of the Budget Committee will be held on Wednesday, June 7, 1995, at 1:00 p.m., in the Room 410, Veterans Building, 401 Van Ness Avenue.

Jean Lum
Jean Lum

Acting Clerk of the Board

POSTED: MAY 24, 1995

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WEDNESDAY, JUNE 7, 1995 - 1:00 P.M. ROOM 410, WAR MEMORIAL BLDG.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:10 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 101-92-33.4. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department, 1986 Fire Protection Bond Interest, in the amount of \$20,500 for the purchase and installation of an emergency generator at Fire Station No. 23, at 1348 - 45th Avenue. (Fire Department)
 - b) File 148-92-7.6. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department, State Hazard Mitigation Grant, in the amount of \$20,500 for the purchase and installation of an emergency generator at Fire Station No. 23, at 1348 - 45th Avenue. (Fire Department)
 - c) File 101-93-92.1. [Reserved Funds, Academy of Sciences] Consideration of release of reserved funds, California Academy of Sciences, in the amount of \$574,500 for the renovation and repairs of the Fish Roundabout at Steinhart Aquarium. (California Academy of Sciences)
 - d) File 97-95-33. [Revolving Funds, Board of Supervisors] Ordinance amending the Administrative Code by amending Section 10.169-3 to increase the amount held in the Board of Supervisors Revolving Fund from \$500 to \$1000. (Acting Clerk of the Board)

SPEAKERS: None.

ACTION: HEARING HELD. CONSENT CALENDAR APPROVED. FILED.

VOTE: 2-1. (Supervisor Bierman absent.)

BOND

2. File 170-95-5. [Bond Sale] Resolution authorizing and directing the sale of City and County of San Francisco not to exceed \$18,480,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1990), series 1995A; and not to exceed \$26,000,000 principal amount of General Obligation Bonds (Golden Gate Park Improvements, 1992), series 1995B; prescribing the terms and form of said bonds; approving forms of Official Notice of Sale of Bonds and Notice of Intention to Sell Bonds; directing the publication of Notice of Sale and Notice of Intention to Sell Bonds; approving the official statement relating thereto; authorizing the reimbursement of certain expenditures and ratifying certain actions; and authorizing the execution of necessary documents. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

FEES

3. File 114-94-1. [Unreinforced Mason Building (UMB) Appeals Board] Ordinance amending Building Code by amending Sections 203(i), 204(a), 212(d), 33.5 and 1405 and adding Section 1408 to establish an Unreinforced Masonry Building (UMB) Appeals Board and establishing fees therefor. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Frank Chew, Director of Building Inspection, Department of Public Works. IN SUPPORT: Robert Bossi, Consulting Engineer; Betty Lui, Coalition Seismic Safety; Bruce Bond, Exec. Director, Heritage House; PAT Bostovich. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE BY SUPERVISOR HSIEH. ADOPTED. AMENDMENT OF THE WHOLE AMENDED. RECOMMENDED AS AMENDED. On Page 8, line 2 add a sentence to read: "At least one member of the Board shall have experience in issues relating to historic preservation."

VOTE: 3-0.

4. File 97-95-30. [Criminal Justice Administration Fee] Ordinance amending the Administrative Code by adding Section 8.38 thereto, establishing and allowing the City and County of San Francisco to collect a Criminal Justice Administrative Fee from persons arrested. (Adult Probation Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Arlene Sauser, Chief Probation Officer; Sgt. Richard Ridgeway, Sheriff's Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY ARLENE SAUSER, CHIEF PROBATION OFFICER. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. NEW TITLE: "Amending Chapter 8 of the San Francisco Administrative Code by adding Section 8.38 thereto, establishing and allowing the City and County of San Francisco to collect a booking fee for persons placed on probation."

VOTE: 3-0.

5. File 97-95-32. [Residential Rent Stabilization and Arbitration Fee] Ordinance amending the San Francisco Administrative Code by amending Section 37A.1 to exempt certain dwelling units solely owned by a non-profit public benefit corporation, to exempt certain residential care of Adult Care or Adult Day Health Care facilities for the elderly, and to delete the exemption for owner-occupied buildings containing four dwelling units or less. (Residential Rent Stabilization and Arbitration Board)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Delene Wolfe, Deputy Director, Rent Board. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

HEARING

6. File 78-95-3. [Dependent Care Reimbursement Plan] Hearing to consider the status of the City's Dependent Care Reimbursement Plan and ways to improve the participation of City employees in the Plan. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Randy Smith, Exec. Director, Health Service System Board. IN SUPPORT: Veronica Sanchez; LaWanda Preston, Local 790, Linda Jo Fuko, Local 21; Bill Mills, Colonial Life; Teresa Serata, Budget Director, Office of the Mayor.

(Consideration continued from 4/26/95)

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

FISCAL ITEMS

7. File 101-94-110. [Appropriation, Department of Public Works] Ordinance appropriating and rescinding \$4,494,000, Department of Public Works, 1990 Earthquake Safety Bonds, to various Library Capital Improvement Projects (renovation, testing, inspection and evaluation of various branch libraries) for fiscal year 1994-95. (Controller) RO #94254

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Todd Colburn, City Engineer; Ken Dowlin, City Librarian. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Add a section 2 placing \$980,400 on reserve pending selection of a contractor for renovation of the Richmond Branch Library, contract cost details and the MBE/WBE status of the contractor and to be release by the Budget Committee." AMENDED TITLE: "Appropriating \$4,494,000 of 1990 Earthquake Safety Bonds to various Library capital improvement projects of the Department of Public Works for fiscal year 1994-95; placing \$980,400 on reserve.

VOTE: 3-0.

8. File 101-94-111. [Appropriation, Department of Human Resources] Ordinance appropriating \$575,060, Department of Human Resources, from the General Fund Reserve and rescinding \$1,008,919 from salaries in the Fire Department to appropriate \$1,583,979 to the Department of Human Resources for Workers Compensation claims for fiscal year 1994-95. (Controller) RO #94255

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Victoria Mead, Exec. Assistant, Human Resources Department; Brian Narlock, Div. Manager, Workers' Compensation Division, Employees' Retirement System; Teresa Serata, Budget Director, Office of the Mayor. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

REVENUE ITEMS

9. File 127-95-4. [Payroll Expense/Business Tax] Ordinance amending Part III, Municipal Code, by amending Section 903.1 thereof to decrease Payroll Expense Tax rate for businesses with total payroll expense not exceeding \$333,333 and to increase Payroll Expense Tax rate for businesses with total payroll expenses exceeding \$6,666,667 and by adding Section 1004.19 thereto to decrease the Business Tax on Gross Receipts exceeding specified amounts and by amending Sections 905-A and 1005.3 thereof to lower the qualifying maximum for the exemption to the Payroll Expense and Business Taxes, operative January 1, 1996. (Supervisor Ammiano)

SPEAKERS: ELECTED OFFICIAL: Supervisor Tom Ammiano.
DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: Mike Norton, San Franciscans for Tax Justice; Larry Kurmel, Exec. Director, California Bankers' Association; Martha Hawthorne, Public Health Nurse; Edward Evans; Alan Bruce; Bernal Heights Neighbor to Neighbor; Margaret Brodtkin, Children Advocates; Donna Gouse, Haight Ashbury Neighborhood Council; Andy Sekara, Senior Action Network; Dan Mera; Peter Donohue; Tom Gallenher; David Varnan; Dick Clark, Hamilton Family Center; Mark Goldman; Paul Bowdin; Steven Bingham, SF Neighborhood Legal Assistance; Sasa McGee; Nan McGuire; Liz Simpson; Steve Neely. OPPOSED: Lynn Bernan, Pac Telesis; LaWanda Preston, Local 790; Stan Smith, Building and Trades Council; John Dewes, Chevron Corp; Teri Hanlan, Vice President, Bank of America; Dorothy Conlain, Air Touch Communications; Kathleen Harrington, Harrington's Bar and Grill; Ken Cleveland; Mark Moose, Exec. Director, Committee on Jobs. Bill Allin, AT and T.; Michael Bentivoglio, Charels Schwab; Lorena Strong, Golden Gate Restaurant Association; Leanne Lange, Bethel Corporation. Veronica Joe, Bethel Corporation; Bob ??, Hotel Council; Sue Lee, SF Chamber of Commerce; Mark Warren, Polk Street Merchants Association; Folger Gantz, General Manager, Hilton Hotel; John Sutter, General Manager, Pac 55 Hotel.

ACTION: HEARING HELD. TO BOARD "WITHOUT RECOMMENDATION". TO BOARD FOR PUBLIC HEARING, JUNE 26, 1995, AT 3:00 P.M.

VOTE: 2-1. (Supervisor Kaufman dissenting.)

10. File 127-95-5. [Transient Occupancy Tax] Ordinance amending Part III, Municipal Code, by amending Section 502.5 thereof to increase the Transient Occupancy Tax Surcharge from 2.75 percent to 4.75 percent, and by amending Section 5092.8 thereof to increase the Transient Occupancy Tax in certain Redevelopment Project Areas from 12 percent to 14 percent, operative October 1, 1995. (Supervisor Ammiano)

SPEAKERS: ELECTED OFFICIAL: Supervisor Tom Ammiano.
DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: Mike Norton, San Franciscans for Tax Justice; Larry Kurlmel, Exec. Director, California Bankers' Association; Martha Hawthorne, Public Health Nurse; Edward Evans; Alan Bruce; Bernal Heights Neighbor to Neighbor; Margaret Brodtkin, Children Advocates; Donna Gouse, Haight Ashbury Neighborhood Council; Andy Sekara, Senior Action Network; Dan Mera; Peter Donohue; Tom Gallenger; David Varnan; Dick Clark, Hamilton Family Center; Mark Goldman; Paul Bowdin; Steven Bingham, SF Neighborhood Legal Assistance; Sasa McGee; Nan McGuire; Liz Simpson; Steve Neely. OPPOSED: Lynn Bernan, Pac Telesis; LaWanda Preston, Local 790; Stan Smith, Building and Trades Council; John Dewes, Chevron Corp; Teri Hanlan, Vice President, Bank of America; Dorothy Conlain, Air Touch Communications; Kathleen Harrington, Harrington's Bar and Grill; Ken Cleveland; Mark Moose, Exec. Director, Committee on Jobs. Bill Allin, AT and T.; Michael Bentivoglio, Charels Schwab; Lorena Strong, Golden Gate Restaurant Association; Leanne Lange, Bethel Corporation. Veronica Joe, Bethel Corporation; Bob ??, Hotel Council; Sue Lee, SF Chamber of Commerce; Mark Warren, Polk Street Merchants Association; Folger Gantz, General Manager, Hilton Hotel; John Sutter, General Manager, Pac 55 Hotel.

ACTION: HEARING HELD. TO BOARD "WITHOUT RECOMMENDATION". TO BOARD FOR PUBLIC HEARING, JUNE 26, 1995, AT 3:00 P.M.

VOTE: 2-1. (Supervisor Kaufman dissenting.)

11. File 127-95-8. [Real Property Transfer Tax] Ordinance amending Part III, Municipal Code, by amending Section 1102 of Article 12C (Real Property Transfer Tax Ordinance) to increase the tax rate to \$7.50 from \$3.75 for each \$500 of consideration or value of the property conveyed for transfers in which the consideration or value of the property conveyed exceed \$1,000,000, and amending Section 1101 of Article 12C to clarify the City and County's authority to increase the tax rate under existing law. (Supervisor Ammiano)

SPEAKERS: ELECTED OFFICIAL: Supervisor Tom Ammiano.

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget

Analyst. IN SUPPORT: Mike Norton, San Franciscans for Tax

Justice; Larry Kurlmel, Exec. Director, California Bankers'

Association; Martha Hawthorne, Public Health Nurse; Edward Evans;

Alan Bruce; Bernal Heights Neighbor to Neighbor; Margaret Brodtkin,

Children Advocates; Donna Gouse, Haight Ashbury Neighborhood

Council; Andy Sekara, Senior Action Network; Dan Mera; Peter

Donohue; Tom Gallenger; David Varnan; Dick Clark, Hamilton Family

Center; Mark Goldman; Paul Bowdin; Steven Bingham, SF

Neighborhood Legal Assistance; Sasa McGee; Nan McGuire; Liz

Simpson; Steve Neely. OPPOSED: Lynn Bernan, Pac Telesis; LaWanda

Preston, Local 790; Stan Smith, Building and Trades Council; John

Dewes, Chevron Corp; Teri Hanlan, Vice President, Bank of America;

Dorothy Conlain, Air Touch Communications; Kathleen Harrington,

Harrington's Bar and Grill; Ken Cleveland; Mark Moose, Exec.

Director, Committee on Jobs. Bill Allin, AT and T.; Michael

Bentivoglio, Charels Schwab; Lorena Strong, Golden Gate Restaurant

Association; Leanne Lange, Bethel Corporation. Veronica Joe, Bethel

Corporation; Bob ??, Hotel Council; Sue Lee, SF Chamber of

Commerce; Mark Warren, Polk Street Merchants Association; Folger

Gantz, General Manager, Hilton Hotel; John Sutter, General Manager,

Pac 55 Hotel.

ACTION: HEARING HELD. AMENDED. TO BOARD "WITHOUT RECOMMENDATION". TO BOARD FOR PUBLIC HEARING, JUNE 26, 1995, AT 3:00 P.M. Add an effective date of October 9, 1995. AMENDED TITLE: "Amending Part III, Municipal Code, by amending Section 1102 of Article 12C (Real Property Transfer Tax Ordinance) to increase the tax rate to \$7.50 from \$3.75 for each \$500 of consideration or value of the property conveyed for transfers in which the consideration or value of the property conveyed exceed \$1,000,000, and amending Section 1101 of Article 12C to clarify the City and County's authority to increase the tax rate under existing law; setting operative date of October 9, 1995."

VOTE: 2-1. (Supervisor Kaufman dissenting.)

12. File 12-95-33. [State Issues] Resolution requesting that the City Lobbyist and the San Francisco delegation in the State Legislature cooperate with the California Bankers Association to modify the State Bank in Lieu Tax Law to mandate subvention of a portion of these tax receipts to local government. (Supervisor Ammiano)

SPEAKERS: ELECTED OFFICIAL: Supervisor Tom Ammiano.
DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: Mike Norton, San Franciscans for Tax Justice; Larry Kurlmel, Exec. Director, California Bankers' Association; Martha Hawthorne, Public Health Nurse; Edward Evans; Alan Bruce; Bernal Heights Neighbor to Neighbor; Margaret Brodtkin, Children Advocates; Donna Gouse, Haight Ashbury Neighborhood Council; Andy Sekara, Senior Action Network; Dan Mera; Peter Donohue; Tom Gallenger; David Varnan; Dick Clark, Hamilton Family Center; Mark Goldman; Paul Bowdin; Steven Bingham, SF Neighborhood Legal Assistance; Sasa McGee; Nan McGuire; Liz Simpson; Steve Neely. OPPOSED: Lynn Bernan, Pac Telesis; LaWanda Preston, Local 790; Stan Smith, Building and Trades Council; John Dewes, Chevron Corp; Teri Hanlan, Vice President, Bank of America; Dorothy Conlain, Air Touch Communications; Kathleen Harrington, Harrington's Bar and Grill; Ken Cleveland; Mark Moose, Exec. Director, Committee on Jobs. Bill Allin, AT and T.; Michael Bentivoglio, Charels Schwab; Lorena Strong, Golden Gate Restaurant Association; Leanne Lange, Bethel Corporation. Veronica Joe, Bethel Corporation; Bob ??, Hotel Council; Sue Lee, SF Chamber of Commerce; Mark Warren, Polk Street Merchants Association; Folger Gantz, General Manager, Hilton Hotel; John Sutter, General Manager, Pac 55 Hotel.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

13. File 127-95-6. [Hotel Tax Allocation] Ordinance amending Article 7, Part III, Municipal Code, by amending Section 515 to base allocations of Hotel Tax revenues on revenues received in the immediately prior fiscal year rather than on estimated revenues for the allocation year. (Supervisor Hsieh)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO JUNE 14, 1995, MEETING.

VOTE: 3-0.

TIME MEETING ADJOURNED: 5:05 P.M.

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 2, 1995

TO: Budget Committee
FROM: Budget Analyst *Recommendation*
SUBJECT: June 7, 1995 Budget Committee Meeting

Item 1a and 1b - Files 101-92-33.4 and 148-92-7.6

Department: San Francisco Fire Department
Department of Public Works (DPW)

Item: **File 101-92-33.4**
Hearing requesting the release of reserved funds from 1986 Fire Protection Bond interest in the amount of \$20,500 for the purchase and installation of an emergency generator for Fire Station No. 23, located at 1348 45th Avenue.

File 148-92-7.6
Hearing requesting the release of reserved funds from the State Hazard Mitigation Grant in the amount of \$20,500 for the purchase and installation of an emergency generator for Fire Station No. 23, located at 1348 45th Avenue.

Amount: \$20,500 (File 101-92-33.4)
20,500 (File 148-92-7.6)
\$41,000

Sources of Funds: 1986 Fire Protection System Improvement Bond, accrued interest (File 101-92-33.4)
State Hazard Mitigation Grant (File 148-92-7.6)

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Description:

File 101-92-33.4

In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement Bonds to finance improvements to the City's Fire Protection System. In February of 1993, the Board of Supervisors appropriated \$1,191,769 in accrued interest from the 1986 Fire Protection Bond Fund, placing \$623,350 on reserve for emergency generators and a geotechnical study contract pending the selection of contractors and determination of their MBE/WBE status.

The Board previously approved the release of a total of \$329,643.50 of the original \$623,350 leaving \$293,706.50 on reserve. The Fire Department is now requesting the release of \$20,500 of the remaining \$293,706.50 on reserve for the purchase and installation of an emergency generator for Fire Station No. 23. The proposed release of \$20,500 would be expended under a construction contract previously approved by the Board of Supervisors (see Comment).

File 148-92-7.6

The Board of Supervisors previously approved a resolution authorizing the DPW, on behalf of the Fire Department, to accept and expend a total of \$4,971,000 in four State Hazard Mitigation Grants from the Federal Emergency Management Agency (FEMA). One of the four grants, in the amount of up to \$500,000, to be used for the installation of emergency generators at 20 Fire Department facilities, was placed on reserve pending the selection of contractors and determination of their MBE/WBE status. The Board of Supervisors previously approved the release of a total of \$303,802.28 of the original \$500,000 leaving \$196,197.72 on reserve.

The Fire Department is requesting the release of \$20,500 of the remaining \$196,197.72 for the purchase and installation of an emergency generator at Fire Station No. 23. The proposed release of \$20,500 would be expended under a construction contract previously approved by the Board of Supervisors (see Comment).

The proposed releases of reserves totaling \$41,000 would be expended as follows:

Purchase and Installation of Emergency Generator	\$41,000
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Comment:

Mr. Peter Wong of the DPW advises that the purchase and installation of the emergency generator for Fire Station No. 23 is an addition to a larger project for the seismic strengthening and modification of the electrical system of Fire Station No. 23, previously approved by the Board of Supervisors (File 101-92-60.8). Mr. Wong reports that the MBE firm of Chiang C.M. Construction, the successful bidder for that larger project, would install the emergency generator for the amount of \$41,000.

Recommendation: Approve the proposed releases of reserved funds in the total amount of \$41,000 as requested.

Item 1c - File 101-93-92.1

Department: California Academy of Sciences (CAS), Steinhart Aquarium
Department of Public Works (DPW)

Item: Requesting the release of reserved funds, California Academy of Sciences, in the amount of \$574,500, for the renovation and repairs of the Fish Roundabout Tank at the Steinhart Aquarium.

Amount: \$574,500

Source of Funds: Capital Improvement Projects Fund (General Fund monies)

Description: In March of 1994, the Board of Supervisors approved a supplemental appropriation for the California Academy of Sciences, in the amount of \$655,700, for the renovation of the Fish Roundabout Tank at the Steinhart Aquarium, and for disabled access modifications, including restrooms, telephones and drinking fountains throughout the Academy of Sciences building (File 101-93-92). The Board of Supervisors placed \$574,500 on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and the contract cost details.

The Fish Roundabout Tank, which is approximately 66 feet in diameter, is a circular viewing tank containing numerous varieties of fish. The California Academy of Sciences reports that the Fish Roundabout Tank has been operating continuously since 1977, and the gaskets supporting the Tank structure are failing, which has resulted in leaks.

Mr. Glen Angell of the California Academy of Sciences advises that in February of 1995, DPW selected BBI Construction, for the renovation of the Fish Roundabout Tank at a cost of \$320,593, as the lowest of three bidders. Mr. Angell advises that BBI Construction is not an MBE or an WBE firm. However, as shown in the comments, \$136,220, or 42.5 percent of the contract is being allocated to MBE/WBE subcontractors. Mr. Angell advises that BBI Construction began work in February of 1995. It is anticipated that the project will be completed by June of 1995.

Mr. Angell advises that the proposed release of reserved funds would be used to reimburse the California Academy of Sciences for funds which have already been expended for this project from the California Academy of Science's budget. The project costs are as follows:

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Budget:

Management and Design

DPW Bureau of Architecture (BOA)		
Design Fees (approx 698.4 hours @ an average of \$63 per hour)	\$44,000	
DPW- Rutherford and Chekene (through BOA) (approx 235.3 hours @ \$85 per hour)	20,000	
Special Inspection (approx 19.5 hours @ \$55 per hour)	1,075	
CAS Project Management (.43 FTE @ \$94,000 per year)	40,000	
Materials, Testing & Inspection	12,214	
Asbestos and Lead Survey	3,464	
Coatings Inspection Service	9,726	
Corrosion Consultant (approx 47.4 hours @ \$95 per hour)	4,500	
Miscellaneous Support, including couriers, project advertising, blue print services	<u>6,083</u>	
Subtotal		\$141,062

California Academy of Sciences (CAS) Construction Work

CAS Disabled Access Work (approx 219 hours @ \$18.75 per hour)	\$4,103	
Materials for Disabled Access Work	9,478	
CAS Equipment Installation (236 hours @ \$26.10 per hour)	6,160	
Materials for Equipment Installation	25,011	
Acrylic Panel	<u>5,000</u>	
Subtotal		49,671

Construction

BBI Construction Contract	*\$379,877	
Construction Contingency (12.5%)	47,555	
Study Contractor (approx 166.5 hours @ \$62 per hour)	10,325	
Construction Permits	<u>4,710</u>	
Subtotal		442,467

Construction Impacts

Site Preparation	\$2,500	
Collection Maintenance	5,000	
Specimen Acquisition	<u>15,000</u>	
Subtotal		<u>22,500</u>

TOTAL **655,700

*Mr. Angell advises that the difference between the contract amount of \$379,877 shown above for BBI Construction, and the

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amount of the base bid of \$320,593 shown below, which was the amount BBI Construction was awarded for the original bid, is as follows: (1) CAS accepted Bid Alternate No. 1, for an amount of \$9,803 to provide demolition and debris removal on Concourse Drive, (2) BBI Construction performed additional work at a unit price of \$17.27, as defined in the contract between BBI Construction and CAS, for additional construction related to the Fish Roundabout Tank, for a total amount of \$16,500, and (3) CAS has authorized change orders for an amount of approximately \$32,981, for a total of \$59,284. (\$379,877 less \$59,284 equals \$320,593).

** The total allocation of \$655,700 is the amount of funding for the entire project, including the amount of \$81,200 which was not reserved at the time of the original request for funding (\$655,700 less \$81,200 equals \$574,500, the subject of this request).

Comment:

Mr. Angell has provided the following contract cost details, including the MBE and WBE participation, for the \$320,593 construction contract. The contract cost details are as follows:

Prime Contractor (31.0%)

BBI Construction	\$99,486
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Subcontractors, MBE (40.2%)

Kwan Wo	\$7,800
J. Wang	32,000
Gitane Painting	80,300
Asia	<u>8,620</u>
Subtotal, MBE Subcontractors	*\$128,720

Subcontractor, WBE (2.3%)

City Lumber	*\$7,500
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Other Subcontractors (26.5%)

AGA	\$52,514
Escobar	5,500
Swift-Mac	3,980
Global	3,393
Hess	<u>19,500</u>
Subtotal, non MBE/WBE	
Subcontractors	\$84,887

Total Subcontractors	<u>\$221,107</u>
Total Contract and Subcontractors	\$320,593

* Total allocation of \$136,220 (\$128,720 + \$7,500), or 42.5 percent for MBE/WBE Subcontractors.

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BUDGET ANALYST

Memo to Budget Committee
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Recommendation: Approve the proposed release of reserved funds.

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Item 1d - File 97-95-33

Department: Board of Supervisors

Item: Ordinance amending Chapter 10, Article XV, of the Administrative Code by amending Section 10.169-3 to increase the amount held in the Board of Supervisors Revolving Fund.

Description: The Board of Supervisors Revolving Fund, established by Chapter 10, Article XV of the Administrative Code, is used to pay small and unanticipated expenses such as subscriptions of individual members of the Board of Supervisors, office supplies, messenger services, mailings and other expenses less than \$100.

The Administrative Code currently sets the maximum amount for the Revolving Fund at \$500. The proposed ordinance would increase the amount of this Revolving Fund by \$500 to \$1,000.

According to Ms. Jean Lum, Acting Clerk of the Board, the Revolving Fund amount of \$500, which was established in 1976, is no longer sufficient to cover these minor expenses which are paid for by this Fund, without numerous requests to have the Fund reimbursed. As such, the Clerk of the Board is requesting that the Fund amount be increased in order to save staff time and to permit the Clerk of the Board to pay minor expenses from the Revolving Fund on a timely basis.

Comment: The proposed Administrative Code amendment would not result in increased expenditures. The request would simply change the maximum limit, which is allowed under the Administrative Code, in the Revolving Fund from \$500 to \$1,000. Ms. Lum advises that the requested \$500 increase in the amount of the Revolving Fund is included in the Clerk of the Board's 1995-96 budget request.

Recommendation: Approve the proposed ordinance.

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Item 2 - File 170-95-5

Department: Chief Administrative Officer (CAO)

Item: Resolution authorizing and directing the sale of City of San Francisco General Obligation Bonds Series 1995A, (Public Safety Improvement Projects, 1990), not to exceed \$18,480,000 principal amount; and General Obligation Bonds Series 1995B, (Golden Gate Park Improvements), not to exceed \$26,000,000 principal amount; prescribing the terms and form of said Bonds; approving forms of Official Notice of Sale of Bonds and Notice of Intention to Sell Bonds; directing the publication of Notice of Sale and Notice of Intention to Sell Bonds; approving the official statement relating thereto; authorizing the reimbursement of certain expenditures and ratifying certain actions; and authorizing the execution of necessary documents.

Amount:	<u>Series</u>	<u>Description</u>	<u>Amount</u>
	1995A	Public Safety Improvement Projects, 1990	\$18,480,000
	1995B	Golden Gate Park Improvements, 1992	<u>26,000,000</u>
		Total General Obligation Bonds to be Issued	\$44,480,000

Description: The proposed resolution (File 170-95-5) pertains to the issuance and sale of General Obligation Bonds which have been previously approved by San Francisco voters. The proposed resolution would authorize and direct the sale of two series of General Obligation Bonds in the principal amounts shown in the above table. The proposed resolution would also prescribe the terms and form of said bonds, approve forms of official Notice of Sale of Bonds and Notice of Intention to Sell Bonds, direct the publication of Notice of Intention to Sell Bonds, approve the official statement relating thereto, authorize the reimbursement of certain expenditures and ratify certain actions, and authorize the execution of necessary documents.

As noted above, the issuance of these General Obligation Bonds have been approved by the electorate. However, the issuance of any General Obligation Bonds must be specifically authorized by the Board of Supervisors following approval by the electorate, including providing for a tax levy to repay the bonds, before a bond sale can proceed. The issuance of the bond series shown above, including authorization for a tax levy to repay these bonds, has been previously authorized by the Board of Supervisors (Resolution Nos. 1017-90 and 203-93 respectively).

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In June, 1990, a total of \$332,400,000 in General Obligation Bonds (Public Safety Improvement Projects, 1990) was approved by the electorate for seismic and life safety improvements and repairs to various City-owned buildings damaged in the 1989 Loma Prieta earthquake. As provided for in the ballot initiative authorizing these bonds, the amount of bonds authorized to be issued is reduced by the amount of Federal Emergency Management Agency (FEMA) and Office of Emergency Services (OES) funds received by the City for projects included in the bond program.

As of April 30, 1995, the City has received commitments totaling \$122,457,000 from FEMA and the OES for projects included in the bond program, and the City has previously issued \$191,460,000 in these bond funds. The FEMA/OES funds together with the previously issued bonds bring the remaining authorized unissued amount of these bonds to \$18,483,000 (\$332,400,000 less \$122,457,000 less \$191,460,000). Under the proposed resolution (File 170-95-5), an additional \$18,480,000 in bonds would be sold, for a total of bonds issued after the sale of \$209,940,000, and a remaining authorized unissued amount (reduced by the amount of FEMA/OES funds) after the sale of \$3,000. The proceeds from the sale of the proposed \$18,480,000 in bond funds (Series 1995A) would be used for; asbestos removal, seismic improvements and disabled access improvements to the War Memorial Opera House.

In June, 1992, a total of \$76,300,000 in General Obligation Bonds (Golden Gate Park Improvements, 1992) was approved by the electorate for capital projects in Golden Gate Park. Of the \$76,300,000 authorized in General Obligation Bonds, the City has previously issued \$8,135,000. The previously issued bonds bring the remaining authorized amount to \$68,165,000 (\$76,300,000 less \$8,135,000). Under the proposed resolution (File 170-95-5), an additional \$26,000,000 would be sold, for a total of bonds issued after the sale of \$34,135,000, and a remaining authorized unissued amount after the sale of \$42,165,000. The proceeds from the sale of the proposed \$26,000,000 in bond funds (Series 1995B) would be used for construction and installation of a new irrigation system for certain areas of Golden Gate Park, improvements to the lakes in the Park, and for disabled access improvements to the Park.

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Comments:

1. General provisions of the sale of the bond funds (Series 1995A, and Series 1995B) would be as follows:

- The sale of the bonds is tentatively scheduled to be held on July 11, 1995.
- Under the proposed resolution (File 170-95-5), the bonds would be sold at an interest rate which would not exceed 11 percent per year and will mature in the year 2015. Bond payments will be made semi-annually beginning December 15, 1995.
- Property taxes collected to redeem the bonds will be deposited in the special funds account which would be created specifically for this purpose.
- An official statement describing the proposed bonds to be issued, is incorporated in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all bidders for the bonds.
- Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest payments.

2. Under the proposed resolution, the annual interest rate for the bonds could not exceed 11 percent. However, Ms. Stephanie Carlisle of the Office of the Chief Administrative Officer, reports that if the bonds were sold today, the bonds would probably be sold at an overall interest rate of approximately 6 percent.

3. Ms. Carlisle estimates that with a 20 year term for the bonds and assuming an interest rate of approximately 6 percent the proposed sale of bonds in the total amount of \$44,480,000 would result in a total debt service requirement of approximately \$77 million over the life of the bonds. Over the 20 year period, this would result in an average debt service requirement of approximately \$3.9 million per year. According to Ms. Carlisle, at the estimated interest rate of 6 percent, the City's debt service requirement for these bonds in FY 1995-96 would be approximately \$2,669,000, and would be interest only, for approximately 11.5 months. In order to lower the City's overall debt service costs for the next two years, the CAO's Office is proposing interest only payments on these bonds until FY 1997-98, when principal payments would begin.

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BUDGET ANALYST

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4. Based on an interest rate of 6 percent, the proposed bond issuance in the amount of \$44,480,000 would result in an increase in the property tax rate of approximately \$0.0072 per \$100 in 1995-96. At that rate, the owner of a house assessed at \$300,000 would pay approximately \$21.10 in additional property taxes annually due to the issuance of these bonds.

5. Ms. Carlisle states that the City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, was \$1,659,708,424 as of April 30, 1995. Ms. Carlisle advises that the amount of the City's outstanding General Obligation bonds at the present time is \$651,315,000. Therefore, the City's current available General Obligation bonding capacity is approximately \$1,008,393,424 (\$1,659,708,424 bonding capacity less \$651,315,000 in outstanding bonds). The proposed sale of bonds in the amount of \$44,480,000 would reduce the City's bonding capacity from \$1,008,393,424 to approximately \$963,913,424.

6. Ms. Carlisle advises that the cost of issuing the bonds, including fees for private bond counsel and the services of the Chief Administrative Officer and City Attorney, are expected to be approximately \$200,000 and would be allocated approximately as follows:

<u>Series</u>	<u>Description</u>	<u>Estimated Issuance Cost</u>
1995A	Public Safety Improvement Projects, 1990	\$86,475
1995B	Golden Gate Park Improvements, 1992	<u>113,525</u>
	Total	\$200,000

7. Approval of the proposed resolution (File 170-95-5) would permit the sale of the proposed bonds. However, all future expenditure appropriations, including that for the bond issuance costs, of the bond proceeds would be subject to separate approval by the Mayor and the Board of Supervisors through appropriation ordinances.

Recommendation: Approve the proposed resolution.

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Item 3 - File 114-94-1

Item: Ordinance amending Part II, Chapter 1 of the San Francisco Municipal (Building Code) by amending Sections 203 (i), 204 (a), 212 (d), 333.5 and 1405 and adding Section 1408 to establish an Unreinforced Masonry Building (UMB) Appeals Board and establishing fees therefor.

Description: An Amendment of the Whole of the proposed legislation will be introduced at the Budget Committee meeting of June 7, 1995. This report reflects the Amendment of the Whole. The proposed ordinance would establish a nine-member Unreinforced Masonry Building (UMB) Appeals Board to hear and decide all appeals concerning interpretation of Chapters 14 and 15 (the City's UMB seismic retrofitting legislation) and other related structural provisions of the Code regulating the strengthening of UMBs. The proposed UMB Appeals Board would have the authority to: 1) review UMB retrofit alteration permits; 2) review and recommend approval or disapproval of cost estimates presented to the Director of Building Inspection in support of applications for demolition permits; and 3) assist the Bond and Loan Program Board and Advisory Board on technical and code issues related to the Seismic Safety Retrofit Program.

The proposed UMB Appeals Board would be appointed by the Building Inspection Commission (BIC) to serve at the Commission's pleasure for a three-year term. The proposed nine-member Board would consist of the following:

- Four registered civil engineers to consist of at least one structural engineer, one geotechnical engineer, and one employee or officer of a testing and inspection agency.
- A managing employee or officer of a licensed general contractor.
- A licensed architect.
- An owner of an unreinforced building.
- A tenant of an unreinforced building.
- A representative of the Seismic Safety Retrofit Bond Program Board.

The above-noted members of the UMB Appeals Board would serve without compensation.

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In addition to establishing the proposed UMB Appeals Board, the proposed ordinance would establish the following UMB Appeals Board Filing Fees:

Each appeal for a variance from or interpretation of code requirements: \$95.05

Each appeal for the approval of substitute materials or methods of design or construction \$238.60

These fees would be deposited into the Department of Building Inspection's (DBI's) Special Revenue Fund and would be used to offset DBI's costs associated with the UMB program such as the proposed UMB Appeals Board meeting fees, inspections and follow-up paperwork.

Comment:

Mr. Frank Chiu, Director of Building Inspection of the Department of Building Inspection estimates that the proposed UMB Appeals Board Filing Fees should generate at least \$10,000 annually. As previously noted, the proposed UMB Appeals Board Filing Fees would be deposited into the DBI's Special Revenue Fund. All appropriations from this Fund are subject to approval by the Board of Supervisors.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 97-95-30

Department: Adult Probation Department

Item: Ordinance amending the City's Administrative Code by adding Section 8.38 thereto, establishing and allowing the City and County of San Francisco to collect a Criminal Justice Administrative Fee from persons arrested.

Description: The California Government Code authorizes cities and counties to establish and collect an administrative fee from arrested persons who have been placed on probation by the Courts. This administrative fee may reflect but not exceed the actual administrative costs, including applicable overhead costs, incurred in processing an arrest.

The proposed ordinance would amend the San Francisco Administrative Code to authorize the Adult Probation Department to charge and collect an administrative fee from arrested persons, to be known as the Criminal Justice Administration Fee. The amount of this fee would be based on the actual costs of processing an arrest as determined by the Controller in consultation with the Sheriff's Department. The Controller, not later than January 1 of each year, would reexamine and, if necessary, change the fee to ensure that it continues to reflect the costs for services rendered. The revenues generated through the collection of such fees would be deposited in the General Fund.

The following is a breakdown of the estimated costs to process an arrest, as determined by the Sheriff's Department:

<u>Department</u>	<u>Description of Task</u>	<u>Annual Cost of Providing Service 24 hours per day, 7 days per week</u>	<u>Estimated Time Needed Per Arrest (in minutes)</u>	<u>Total Estimated Cost</u>
Sheriff	Inmate booking		9	\$41.14
	Inmate classification		<u>8</u>	<u>36.56</u>
	Subtotal	\$2,402,301	17	\$77.70
	O.R. interview*	842,380	5	\$8.01
Police	Inmate search		2	\$1.97
	Inmate booking		9	8.85
	Medical triage**		<u>4</u>	<u>3.94</u>
	Subtotal	517,190	15	\$14.76
	I.D. processing	393,449	7	\$5.24

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Memo to Budget Committee
June 7, 1995

<u>Department</u>	<u>Description of Task</u>	<u>Annual Cost of Providing Service 24 hours per day, 7 days per week</u>	<u>Estimated Time Needed Per Arrest (in minutes)</u>	<u>Total Estimated Cost</u>
Public Health	Medical triage**		4	\$5.55
	Medical screening***		10	13.89
	Subtotal	\$729,833	14	\$19.44
	TOTAL			<u>\$125.15</u>

* During the O.R. ("own recognizance") interview, the Sheriff's Department determines whether an arrested person should be released on his or her own recognizance.

** An arrested person who has sustained bodily injuries is examined and treated by a medical triage, consisting of DPH nurses and located directly at the jail, prior to being booked by the Sheriff's Department.

*** As part of the booking process, nurses are required to perform a medical screening, in which a nurse questions the arrested person regarding his or her medical history.

Based on the Sheriff's determination that the estimated cost of processing an arrest is \$125.15, the Adult Probation Department proposes an administrative fee of \$125 per arrested person. The Adult Probation Department advises that it would have the discretion to exempt arrested persons from this proposed fee, depending on a determination as to the individual's ability to pay.

The Adult Probation Department reports that, of the approximately 50,000 arrests in San Francisco in FY 1993-94, the Municipal and Superior Courts granted probation to 7,312 arrested persons. Thus, under the proposed ordinance, only these 7,312 arrested persons would be subject to the proposed \$125 administrative fee. Of these 7,312 arrests, the Adult Probation Department estimates that it would be able to collect the proposed administrative fee from 40 percent or approximately 2,925 persons. Thus, the total estimated revenues from the proposed \$125 administrative fee are \$365,625 per year. Based on an approximately 1.3-month implementation period, estimated fee revenues of \$325,000 have been included in the Adult Probation's proposed FY 1995-96 budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 5 - File 97-95-32

- Department:** Residential Rent Stabilization and Arbitration Board
- Item:** Ordinance amending the Administrative Code by amending Section 37A.1 to exempt certain dwelling units solely owned by a non-profit public benefit corporation from the Rent Board Fee, to exempt certain residential care or adult day health care facilities for the elderly from the Rent Board Fee, and to delete the exemption for owner-occupied buildings containing four dwelling units or less from the Rent Board Fee.
- Description:** The proposed ordinance would amend Chapter 37A of the Administrative Code, which establishes the Rent Board Fee to support residential rent stabilization and arbitration administration and enforcement efforts, in order to make this Chapter conform with Chapter 37, which is the basic Residential Rent Stabilization and Arbitration Ordinance. The Rent Board Fee is assessed on all residential rental units covered by the Residential Rent Stabilization and Arbitration Ordinance.
- Section 37A.2 of the Administrative Code establishes that the per unit Rent Board Fee is to be calculated annually on July 31, by dividing the projected annual cost of funding the Rent Board plus related administrative costs by the total number of residential units estimated to pay the fee (minus any balance remaining in the Rent Board Fund), not to exceed \$10 per unit. In FY 1994-95, the Rent Board Fee was \$10 per unit.
- During the past year, the following changes have been made to the Residential Rent Stabilization and Arbitration Ordinance, affecting the units covered by the Ordinance and subject to the Rent Board Fee:
- Elimination of the exemption from the Rent Board Fee for owner-occupied buildings containing four units or less. This exemption was eliminated from the Residential Rent Stabilization and Arbitration Ordinance with voter approval of Proposition I in November of 1994, which resulted in placing all such units (except those which received certificates of occupancy after the adoption of the original Rent Stabilization and Arbitration Ordinance in June of 1979) under rent control.

- Exempting from the Rent Board Fee dwelling units solely owned by a non-profit public benefit corporation governed by a board of directors the majority of which are residents of the units, in cases where the corporate by-laws state that rent increases must be approved by the majority of the residents. A non-profit public benefit corporation is a non-profit entity which is established for any public or charitable purposes pursuant to the California Corporation Code. Mr. Joseph Grubb, Executive Director of the Residential Rent Stabilization and Arbitration Board, states that this exemption was added in order to clarify the types of non-profit public benefit corporations that are exempt from the Rent Ordinance. This exemption was approved by the Board of Supervisors in July of 1993 (Ordinance 233-93, File 109-93-3).
- Changing the exemption of "non-profit homes for the aged" to specifically exempt from the Rent Board Fee residential care or adult day health care facilities for the elderly which must be operated pursuant to a license issued by the California Department of Social Services. This language change was approved by the Board of Supervisors in December of 1994 (Ordinance 446-984).

Comments:

1. Mr. Grubb states that the provision eliminating the exemption for owner-occupied buildings of four units or less is expected to increase the number of units subject to the Rent Board Fee from approximately 160,000 to approximately 190,000 units, or an additional 30,000 units.
2. The provision exempting from the Rent Board Fee dwelling units solely owned by non-profit public benefit corporations controlled by tenants would, according to Mr. Grubb, effect only an estimated 30 units.
3. The provision changing the wording to exempt licensed residential care and adult day health care facilities from the Rent Board Fee, instead of non-profit homes for the aged, is expected to result in exemption of approximately 100 fewer units from the Rent Board Fee than are currently exempted under this provision.
4. In summary, the net effect of the changes to Section 37A.1 in the proposed ordinance would be that approximately 30,070 (30,000 plus 100 less 30) more units would be subject to the Rent Board Fee. Mr. Grubb states that he expects the Rent Board Fee to remain stable at \$10 per unit in FY 1995-96, so that the proposed changes will increase total revenues by an estimated \$300,700 annually, to allow the Rent Stabilization and Arbitration Board to

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BUDGET ANALYST

more fully cover the costs of administering the Rent Control Ordinance, and possibly to create a small reserve to carry the Department into FY 1996-97.

5. Each of the proposed changes to Section 37A.1 of the Administrative Code, pertaining to units for which the Rent Board Fee must be paid, has already been made to the definitions included in Section 37.2 of the Administrative Code, pertaining to units covered by the Residential Rent Stabilization and Arbitration Ordinance.

Recommendation: Approve the proposed ordinance.

Item 6 - File 78-95-3

Note: This item was continued from the April 26, 1995 meeting of the Budget Committee.

Item: This item is a hearing to consider the status of the City's Dependent Care Reimbursement Plan and ways to improve the participation of City employees in the Plan.

Description: The City's Dependent Care Reimbursement Plan, established pursuant to Federal Code Section 125, has been administered by the City's Health Service System since 1991. Under the Dependent Care Reimbursement Plan, a City employee may elect to have a specified amount of money deducted from his/her gross earnings, before taxes are taken out, to be used for payment of dependent care costs, thereby lowering City employees' taxable income. The monies that are deducted for this purpose are placed in an account and are used to reimburse the employee for dependent care expenses.

The Federal government has set the maximum annual allowable contribution towards a dependent care reimbursement plan at \$5,000 for a married couple filing jointly or for a single parent/individual. The maximum limit for a married person filing separately is \$2,500. Qualified dependent care expenses include costs for child care for children under 13 years of age and custodial care (e. g. housekeeping services, preparation of food, assistance in maintaining personal hygiene) for a spouse or a dependent who is incapable of self-care (e. g., an invalid parent). Dependent care does not include health care services.

Comments: 1. Mr. Bill Irwin of the Health Service System advises that only City employees who are Health Service System members are entitled to enrollment in the City's Dependent Care Reimbursement Plan. According to Mr. Irwin, of the approximately 24,500 City employees who are Health Service System members, only 272 employees or approximately one percent are currently enrolled in the City's Dependent Care Reimbursement Plan.

2. Mr. Irwin reports that employee enrollment in the City's Dependent Care Reimbursement Plan represents a savings to the City because the monies which are deducted from the employee's gross income are not subject to the City's payment of costs for Social Security and Medicare. Mr. Irwin reports that the average amount deducted from gross earnings for the 272 employees currently enrolled in the Plan is \$161 biweekly or approximately \$4,202 annually for each

employee. Based on 272 employees, the total amount deducted annually for this purpose is approximately \$1,142,944. According to Mr. Irwin, based on the \$1,142,994, the current savings to the City for not having to pay Social Security and Medicare costs at 7.65 percent is approximately \$87,439.

3. Mr. Randy Smith, Executive Director of the Health Service System of the Human Resources Department advises that the cost to administer the Dependent Care Reimbursement Plan is \$60 per participant annually and is paid for by the participants. Mr. Smith notes that Section 16.903 of the Administrative Code provides that the City not be responsible for any direct cost to administer this Plan. The Human Resources Department contracts with Colonial Life & Accident Insurance Company to implement the Plan.

4. According to Mr. Smith, employee participation in the Plan could potentially be increased by making prospective employees more aware of the Plan through the enclosure of an informational flyer or brochure with City employee's payroll checks and/or distributing informational posters on the Plan to City departments. Mr. Smith advises that currently information on the Plan is included in the Open Enrollment Benefit booklet, which is made available to members of the Health Service System, as well as in an informational brochure, which is available. Mr. Smith states that based on the experience of other jurisdictions which provide a Dependent Care Reimbursement Plan, the maximum estimated employee participation which can be expected with regard to this Plan is 735 employees or three percent of the 24,500 employees that are eligible for the Plan. If employee participation is increased by 463 from 272 to 735, it could result in estimated additional annual savings to the City of \$148,833 or 7.65 percent of \$1,945,526 (463 employees x a deduction of \$4,202 annually for each employee).

5. Mr. Smith reports that the Human Resources Department could take responsibility for printing and distributing informational posters to City departments on the Dependent Care Reimbursement Plan, which would be less expensive than the option of enclosing a flyer or brochure with City employees payroll checks. Mr. Smith advises that he believes the costs to print and distribute the posters to City departments would be minimal and could be absorbed in the Human Resources Department's existing budget.

Item 7 - File 101-94-110

Department: Public Library
Department of Public Works (DPW)

Item: Ordinance appropriating and rescinding \$4,494,000 of 1990 Earthquake Safety Bonds from the Department of Public Works to various Public Library Capital Improvement Projects.

Amount: \$4,494,000

Source of Funds: 1990 Earthquake Safety Bond

Description: In 1990, voters approved the 1990 Earthquake Safety Bond measure, in order to fund the Earthquake Safety Program which would provide seismic upgrading to buildings throughout the City. Included in this bond measure was \$5.3 million to provide seismic upgrades to the following nine Branch Libraries: (1) Marina Branch Library, (2) Western Addition Branch Library, (3) Excelsior Branch Library, (4) North Beach Branch Library, (5) Eureka Valley Branch Library, (6) Ortega Branch Library, (7) Golden Gate Branch Library, (8) Bernal Heights Branch Library, and (9) West Portal Branch Library.

The proposed ordinance would completely revise the Library's original allocation of its share of the 1990 Earthquake Safety Bond Funds. The proposed funds would instead be used for (1) completion of the Chinatown Branch Library Renovation; (2) the Richmond Branch Library Renovation; and (3) the testing, inspection, and building evaluation of the 9 Branch Libraries that were originally slated for seismic retrofit, as well as the Noe Valley Branch, as follows:

Chinatown Branch Library Renovation	\$2,500,000
Richmond Branch Library Renovation	1,544,000
Testing, Inspection & Building Evaluation of 10 Branch Libraries	450,000
TOTAL	\$4,494,000

Mr. Jorge Alfaro of the DPW advises that, based on DPW staff recommendations, the Public Library has decided to change its priorities for the use of the Earthquake Safety Program funds, for the following reasons:

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- DPW has determined that the current allocation for the renovation of the nine branch libraries, in the amount of \$5.3 million, would be insufficient, particularly if unforeseen costs are discovered, as they were for the Chinatown Branch Library. (See details below and Comment No. 4).
- The Chinatown Branch Library renovation, which was to be completely funded by the 1988 Public Library Improvement Bond, has incurred unforeseen cost overruns, and cannot be completed without an additional \$2.5 million. (See details below and Attachments 1, 2 and 3 provided by the Department of Public Works.)
- The Richmond Branch Library, which was not one of the original nine Branch Libraries slated to receive seismic upgrade, has been determined to have the highest risk of seismic instability of all branch libraries that have been evaluated, and requires immediate seismic upgrading (see details below).
- DPW and the Library wish to carry out testing, inspection, and building evaluations of the 10 Branch Libraries targeted for seismic upgrade, in order to verify that the cost estimates for the construction are accurate prior to making a funding commitment for the retrofits.

The proposed 1990 Earthquake Safety Bond funds, in the amount of \$4,494,000, are to be provided through (1) the rescission and reappropriation of funds which were previously appropriated for programming, planning, design, and construction costs for seismic retrofit of the nine Branch Libraries, in the amount of \$2,365,518, and (2) \$2,128,482 of surplus funds which were originally appropriated for other completed Earthquake Safety Program projects, for a total of \$4,494,000 (\$2,365,518 plus \$2,128,482). Specifically, the funding would be reallocated as follows:

Chinatown Branch Library Renovation (\$2,500,000)

The original estimated total cost for the Chinatown Branch Library project was \$4,936,877. Including the proposed request of \$2,500,000, and a prior supplemental appropriation of \$1,700,000, the present estimated cost of this project is \$9,136,877, which is \$4,200,000 or 85 percent more than the original estimate. (See Comment No. 1 and Attachment 1.)

The renovation of the Chinatown Branch Library began on April 1, 1994, in order to provide seismic upgrades, handicapped accessibility and a building addition which would provide expanded public space and expanded room to house the Chinatown Branch Library's collections. The budget for the renovation project was originally \$4,936,877. However, DPW completed designs and hired a contractor without first conducting extensive testing and inspection to verify the integrity of the foundation. During the construction phase of the project it was discovered that the original design plans prepared in 1919 misstated the actual site condition. DPW was required to prepare a new design and revise the construction contract, in order to correct major deficiencies in the building's foundation.

In October of 1994, the Board of Supervisors approved a supplemental appropriation request, in the amount of \$1,700,000 from the 1988 Public Library Improvement Bond, to be used for the additional costs associated with the new design (File 101-94-15). However, Mr. James Chia, DPW Project Manager, states that the supplemental appropriation was requested prior to the completion of the revised DPW drawings, and prior to detailed negotiations with the contractor regarding the changes in the scope of work.

According to Mr. Chia, DPW underestimated the cost to complete the project. Mr. Chia states that the proposed additional \$2,500,000 is now required to complete the renovations at the Chinatown Branch Library. Mr. Chia advises that DPW has now negotiated 80 percent of the revised scope of work with the contractor, and has estimated the cost of the remaining 20 percent of the revised scope of work. Mr. Chia states that he is confident that the project can be completed with this subject requested \$2,500,000.

Attachment 1 contains the total original estimated costs of the Chinatown Branch Library renovation by category, including planning, design, and construction costs, the current estimated costs by each category and the additional funds needed. Attachment 2 provides the same breakdown of original and projected costs for just the construction contract.

Attachment 3 provides a written summary of why the overages have occurred in the Chinatown Branch Library renovation. This summary is broken down by the various

problem categories, including the amounts involved. All three Attachments were provided by Mr. Chia.

The funds for completion of the Chinatown Branch Library renovation would be used as follows:

Planning (DPW) (approximately 237.1 hours @ \$62 per hour)	\$14,702
Design (DPW) (approximately 149.5 hours @ \$56 per hour)	8,373
Construction Support (DPW) (approximately 5,090.8 hours @ \$56 per hour)	285,085
Construction Management (DPW) (approx. 164.1 hours @ \$63 per hour)	10,340
Construction Contract	1,911,924
Construction Contingency (11.5%)	220,405
Church Lease & Site Access	28,855
DPW Bureau of Building Inspection Permit	<u>20,316</u>
TOTAL	\$2,500,000

Mr. Chia advises that the construction work would continue to be performed by the joint venture contractor of CICO/Joo Construction, consisting of two firms, CICO Construction and T.E. Joo Construction, Inc., an MBE firm. CICO/Joo Construction was selected by DPW through a competitive bid process in December of 1993 for the Chinatown Branch Library renovation project.

Richmond Branch Library Renovation (\$1,544,000)

In 1992, DPW conducted a Seismic Assessment Study of the Richmond Branch Library. The study revealed that the Richmond Branch Library had a seismic hazard rating of 4.0, which represents the highest risk for a building collapse in the event of a major earthquake. DPW recommends that this building be given the highest priority for renovation for the purpose of mitigating the building's seismic risk. (See Comment No. 2.) The cost of the proposed Richmond Branch Library Renovation is as follows:

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DPW Project Manager (approximately 78 hours @ \$84 per hour)	\$6,552
DPW Clerical (approximately 21.3 hours @ \$42 per hour)	896
DPW Bureau of Architecture (BOA) (approx. 1,017 hours @ average of \$65 per hour)	66,108
DPW Bureau of Engineering (approximately 1,190 hours @ average of \$87 per hour)	103,580
Construction Management & Inspection (DPW) (approximately 1,546.1 hours @ average of \$88 per hour)	<u>136,064</u>
Subtotal DPW costs	\$313,200
Construction Contract	980,400
Relocation	<u>250,400</u>
TOTAL	\$1,544,000

Mr. Alfaro advises that DPW has not selected a contractor for the renovation of the Richmond Branch Library. Therefore, funds in the amount of \$980,400 should be reserved pending the selection of a contractor, the MBE/WBE status of the contractor, and the contract cost detail. The DPW currently projects that construction of Richmond Branch Library Renovation will be started in August of 1996 and completed by August of 1997. The estimated library relocation cost of \$250,000 has been included in the project cost, as shown above.

Testing, Inspection and Building Evaluation of 10 Branch Libraries (\$450,000)

DPW proposed to test and inspect 10 Branch Libraries (the original 9 that were to receive seismic upgrades through the 1990 Bond fund, and the Noe Valley Branch, which has a high assessed seismic hazard rating), to identify any unknown structural conditions which would inhibit the ability of the Branches to withstand an earthquake, and to discover any unforeseen costs associated with the renovation of these Branches. In addition, each of the Branches would receive a seismic hazard rating, to guide retrofit scheduling. A seismic hazard rating determines the risk of partial or total collapse of a building in the event of an earthquake. Mr. Alfaro advises that five of the 10 Branches have already been evaluated by DPW to determine the seismic hazard rating, but still require testing and inspection services. The proposed funds would be expended as follows:

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<u>Branch Library</u>	
Noe Valley Branch	\$30,000
Marina Branch	60,000
Western Addition Branch	60,000
Excelsior Branch	60,000
North Beach Branch	30,000
Eureka Branch	60,000
Ortega Branch	30,000
Golden Gate Branch	30,000
Bernal Heights Branch	60,000
West Portal Branch	<u>30,000</u>
Total	\$450,000

Mr. Alfaro advises that the testing, inspection, and seismic assessment work would be conducted jointly by DPW/DPH (\$123,000) and prime contractor Don Todd Associates and subcontractors (\$327,000). Don Todd Associates is an MBE firm. Mr. Alfaro advises that Don Todd Associates entered into a Master Agreement with DPW in 1991, through a competitive bid process, in order to provide program consultation services for the Earthquake Safety Project. Attachment No. 4 contains the budget details for DPW and Don Todd Associates. DPW anticipates that a final report on this testing, inspection and seismic assessment work will be completed by October of 1995.

The proposed ordinance would not fund the actual seismic retrofit of these branch libraries. As described above, \$450,000 would be used to analyze site conditions. Seismic upgrade of these branch libraries would require additional funding. (See Comment No. 4)

Comments:

1. In 1988, the voters approved the 1988 Public Library Improvement Bond measure, in order to pay for improvements for the Public Library system. Of the original bond amount of \$109.5 million, \$104.5 was allocated for construction of the new Main Library and \$5.0 million was allocated for the renovation of the following five Branch Libraries: (1) Park Branch Library, (2) Presidio Branch Library, (3) Sunset Branch Library, (4) Chinatown Branch Library, and (5) Mission Branch Library.

Mr. Alfaro advises that all of the proposed renovations to the five Branch Libraries have been completed, except for the Chinatown Branch Library, due to unforeseen problems (See above and Attachment No. 3 for a description of the problems associated with the

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Chinatown Branch Library renovation), and the Mission Branch Library. Mr. Alfaro advises that DPW is currently in the design phase for the Mission Branch Library. Mr. Alfaro advises that DPW has the required funds to complete all of the renovations for the Mission Branch Library. As previously noted, Mr. Chia advises that in order to complete the Chinatown Branch Library renovations, an additional amount of \$2.5 million is now required. However, the full \$5.0 million allocated to Branch Library renovations in the 1988 Bond measure has been expended.

Mr. Chia advises that because the renovation of the Chinatown Branch Library involves seismic upgrading, the use of funds, in the amount of \$2.5 million, from the 1990 Earthquake Safety Bond to complete this renovation project is appropriate.

2. Mr. Alfaro advises that the proposed \$1,544,000 for the renovation of the Richmond Branch Library includes funding for testing, inspection & building evaluation. Mr. Alfaro advises that DPW has reserved an additional \$884,638 of program contingency funds to be used for this project if any unforeseen costs are discovered during the testing phase. Mr. Alfaro advises that DPW does not expect to discover any major unforeseen costs, nor does DPW anticipate using all of the program contingency funds for this project.

3. Deputy City Attorney Victor Castillo states that to the extent the proposed expenditures are for seismic improvements or disabled access improvement, the City can elect to use 1990 Earthquake Safety Bond Funds.

4. Mr. Alfaro advises that in order to fund the seismic upgrades for the nine Branch Libraries which were originally targeted for seismic upgrades, DPW expects to propose a new bond measure, or to obtain grant funding. Mr. Alfaro advises that the estimated cost of the seismic upgrades for the nine Branch Libraries is now projected to total approximately \$8,887,000, or approximately \$3.6 million higher than the \$5.3 million allocated to the Library from the 1990 Earthquake Safety Bond measure. Mr. Alfaro states that the new retrofit cost estimate is based on improved estimation methodology, using an analysis of cost overruns in comparable, completed seismic retrofit projects.

However, Mr. Alfaro advises that a future funding request would not only include funding for these nine Branch Libraries, but also for an additional six Library Branches, for an amount of approximately \$5,986,000, for a total potential future bond measure or grant application of approximately \$14,873,000. (Mr. Alfaro stresses that this is a preliminary cost estimate.) The six additional branches would be: Anza, Noe Valley, Merced, Parkside, Potrero and Anna Waden Branch Libraries.

5. According to Mr. Chia, the City (and not the contractor) is responsible for all of the overages which have occurred on the Chinatown Branch Library Renovation project. Deputy City Attorney Mr. George Wong generally concurs with the Department of Public Works that the City is liable to the Contractor for additional costs to correct design defects and to perform additional work due to differing site conditions.

6. Prior to the submission of the 1994 \$1,700,000 supplemental appropriation previously approved by the Board of Supervisors, the Library Commission approved a change to the original renovation plans for the Chinatown Branch Library Renovation project that was unrelated to the structural problems that had been identified. This change involved construction of a roof garden and related improvements, including an elevator and stairs to the roof, for total current estimated cost of \$455,066. Given the extent of the cost overruns for this project, the Budget Analyst questions the appropriateness of this addition. However, at this point these improvements are already under construction.

7. Mr. Chia states that, if the proposed ordinance is approved, the Chinatown Branch Library renovation project is scheduled for completion by March of 1996.

Recommendations:

1. Amend the proposed ordinance by reserving \$980,400, pending (a) selection of a contractor for renovation of the Richmond Branch Library, and (b) provision of contract cost details and the MBE/WBE status of the contractor to the Board of Supervisors.

2. Given the serious problems identified with respect to the Chinatown Branch Library Renovation project, we consider approval of the proposed ordinance to be a policy matter for the Board of Supervisors.

CHINATOWN BRANCH LIBRARY RENOVATION PROJECT BUDGET FORECAST

(5/30/95)

	ORIGINAL BUDGET	CURRENT BUDGET	CURRENT FORECAST 05/15/95	ADDITIONAL FUNDS NEEDED
Planning	60,199	60,199	74,901	14,702
Design	597,342	637,142	645,515	8,373
Construction Support	156,365	192,915	478,000	285,085
Construction Management	176,659	538,218	548,558	10,340
Construction Contract	3,765,132	4,869,830	6,781,756	1,911,926
Church Lease & Site Access	128,750	311,000	339,853	28,853
Art Enrichment	27,746	27,746	27,746	0
BBJ Permit	24,684	24,684	45,000	20,316
State Administration Cost	0	19,017	19,017	0
Project Contingency	0	(43,874)	176,531	220,405
TOTAL:	4,936,877	6,636,877	9,136,877	2,500,000

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5/30/95

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To	From
Co. BUDGET ANALYSIS	Co. JAMES CHA
Dept.	Phone # DPN
Fax # 752-0461	Fax # 558-4024
	558-4519

ATTACHMENT "B"

CHINATOWN BRANCH LIBRARY RENOVATION CONSTRUCTION CONTRACT BUDGET FORECAST

(5/30/95)

	ORIGINAL BUDGET	PREVIOUS FORECAST 07/26/94	CURRENT FORECAST 05/15/95	ADDITIONAL FUNDS NEEDED
Construction Contract	3,423,132	3,164,832	3,164,832	0
Construction Contingency	342,000	235,000	268,530	33,530
Roof Garden Alternative		250,000	455,066	205,066
Foundation Redesign		475,000	810,129	335,129
Bracing Redesign		450,000	697,939	247,939
Miscellaneous Changes		70,000	488,464	418,464
Delays & Acceleration		225,000	896,796	671,796
Total:	3,765,132	4,869,832	6,781,756	1,911,924

Lotus 5148A004

MAY 30 '95 02:33PM BUREAU OF ENGINEERING

City and County of San Francisco
Bureau of EngineeringDepartment of Public Works
Project Management Division

MEMORANDUM

TO: Michelle Rogers
BOS's Budget Analysis

DATE: May 30, 1995

Faxed to Michelle at 252-0461

FROM: James Chia
Project ManagerSUBJECT: Chinatown Branch Library I
Supplemental Appropriation Request
File No. 101-94-110

5/30/95
Post-It brand fax transmittal memo 7671 # of pages 2

To	MICHELLE ROGGER	From	JAMES CHIA
Co.	BUDGET ANALYSIS	Co.	DPW
Dept.		Phone #	558-4024
Fax #	252-0461	Fax #	558-4519

Per your request, I am sending you this brief description of the problem encountered and a brief explanation of the additional funds needed for the Chinatown Branch Library Renovation project.

Chinatown Branch Library Renovation (Amount Requested: \$2,500,000)

Because our engineers did not want to disrupt library operations, they did not do extensive testing and inspection to verify the integrity of the foundation prior to design and construction. They relied on the original building plans. During demolition of the existing library basement, the contractor encountered site conditions very different from those on the original building plans. The contractor who built the original library in 1919 did not build it according to the original drawings. The foundation and basement of the existing building were found to be structurally inadequate and the building construction was found to be that of an unreinforced masonry building. Thus, the building required a total seismic upgrade including structural steel bracing and roof bracing as well as totally new foundations. To keep construction delays to a minimum, we submitted a preliminary supplemental appropriation request to the Board of Supervisors for additional funding while our engineers were working on the necessary structural redesign for the building and associated detailed cost estimates.

In August 1994, a supplemental appropriation request was submitted to the Board of Supervisors. On October 17, 1994, by Ordinance No. 367-94, the Board of Supervisors appropriated \$1,700,000 from the 1988 Public Library Improvement Bond.

On September 14, 1994, the drawings for the foundation redesign were completed and forwarded to the contractor. On October 11, 1994, the drawings for the structural steel bracing design were completed and forwarded to the contractor. With the redesigned drawings completed and cost and negotiation of changes and delays well underway, we now have determined that we have greatly under estimated how much we need to complete the project. Our current estimate of the total project cost is \$9,135,877 including funds appropriated last October and grant funds This exceeds our current budget of \$6,636,877 by \$2,500,000. Therefore, we are requesting \$2,500,000 of additional funds for this project.

Additional Funds Needed:Brief Explanation

- | | |
|--|--|
| 1. Planning & Design (\$23,075) | Additional funds are needed due to the construction contract had to be advertised and bid twice. |
| 2. Construction Support (\$285,085) | Additional funds are needed to pay for the building seismic redesign and six (6) more months of engineering and architectural support due to delay in the completion of the project. |
| 3. Construction Management (\$10,340) | Additional funds are needed to pay for additional construction management due to delay in the completion of the project. |
| 4. Construction Contract (\$1,911,926) | Additional funds are needed to pay for the additional work mentioned above. |
| 5. Church Lease & Site Access (\$28,853) | Additional funds are needed to pay for additional lease payment to the Korean Church and encroachments to four other adjacent properties. |
| 6. BBI Permit (\$20,316) | Additional funds are needed to pay for review of the redesigned plans and specifications by BBI and the issuance of the new permit for the redesign. |

BRANCH LIBRARIES BUILDING EVALUATION STUDIES EARTHQUAKE SAFETY PROGRAM PHASE 2 COST BREAKDOWN

	HOURLY RATE	TOTAL HOURS	BERNAL HEIGHTS	EUREKA VALLEY	EXCELSIOR	MARINA	NOE VALLEY	WESTERN ADDITION	GOLDEN GATE	NORTH BEACH	ORTEGA	WEST PORTAL	TOTAL COST
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PRIVATE CONSULTANTS

DON TODD ASSOCIATES

ESTIMATORS	\$74.07	484	\$3,614	\$3,614	\$3,614	\$3,614	\$3,614	\$3,614	\$3,614	\$3,614	\$3,614	\$3,614	\$38,140
PROJECT MANAGER	\$100.00	192	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$19,200
PROJECT ADMINISTRATOR	\$65.00	840	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$41,600
CLERICAL	\$35.00	80	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800

SUB COORDINATION FEE (5%)			\$1,374	\$1,343	\$1,343	\$1,319	\$741	\$1,319	\$843	\$818	\$820	\$843	\$10,781
MISC. REIMBURSIBLES			\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000

SUB-TOTALS

\$11,648 \$11,517 \$11,517 \$11,493 \$10,915 \$11,483 \$11,017 \$10,980 \$10,994 \$11,017 \$11,017 \$11,017 \$112,501

BOH ASSOCIATES

STRUCTURAL ENGINEER	\$95.00	223	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$14,500
PRINCIPAL ENGINEER	\$100.00	90	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000

SUB-TOTALS

\$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$2,050 \$20,500

RUTHERFORD & CHEKENE

DRAFTSPERSON	\$55.00	220	\$2,420	\$2,420	\$2,420	\$2,420		\$2,420					\$12,100
STRUCTURAL ENGINEER	\$95.00	516	\$9,680	\$9,680	\$9,680	\$9,190		\$9,190					\$33,640
PROJECT ENGINEER	\$76.00	240	\$10,650	\$825	\$825	\$1,050	\$3,000						\$18,000
GEOTECHNICAL ENGINEER	\$95.00	25	\$475	\$475	\$475	\$475		\$475					\$2,375
PRINCIPAL ENGINEER	\$105.00	180	\$3,150	\$3,780	\$3,780	\$3,465	\$1,280						\$18,900

SUB-TOTALS

\$16,995 \$16,080 \$16,080 \$15,600 \$4,880 \$15,000 \$15,000 \$15,000 \$15,000 \$15,000 \$15,000 \$15,000 \$84,915

BRANCH LIBRARIES BUILDING EVALUATION STUDIES EARTHQUAKE SAFETY PROGRAM PHASE 2 COST BREAKDOWN

	HOURLY RATE	TOTAL HOURS	BERNAL HEIGHTS	EUREKA VALLEY	EXCELSIOR	MARINA	NOE VALLEY	WESTERN ADDITION	GOLDEN GATE	NORTH BEACH	ORTEGA	WEST PORTAL	TOTAL COST
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E.G. HIRSCH

PRINCIPAL ENGINEER	\$135.00	40							\$1,350	\$1,350		\$1,350	\$5,400
SENIOR ENGINEER	\$78.00	100							\$3,782	\$3,782		\$3,782	\$7,800
JUNIOR ENGINEER	\$48.00	125							\$4,125			\$4,125	\$8,318
DRAFTSPERSON	\$40.00	33							\$900	\$420	\$420	\$540	\$1,880

SUB-TOTALS

\$9,075 \$5,532 \$5,608 \$0,081 \$23,296

MISCELLANEOUS

HLA GEOTECHNICAL REPORT	\$77.00	07	\$833	\$833	\$833	\$833		\$833	\$834	\$834	\$834	\$833	\$7,500
FRANK E. MCGUIRE	\$75.00	120	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$9,000
TESTING AND INSPECTION (ALLOWANCE)			\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$70,000

SUB-TOTALS

\$8,733 \$8,733 \$8,733 \$8,733 \$8,734 \$8,734 \$8,734 \$8,733

DTA AND CONSULTANTS TOTAL

\$59,028 \$38,380 \$38,340 \$37,876 \$25,725 \$27,878 \$27,306 \$27,388 \$27,881 \$327,712

Item 8 - File 101-94-111

Department: Department of Human Resources (DHR)

Item: Supplemental appropriation ordinance appropriating \$575,060 from the General Fund Reserve and rescinding \$1,008,919 from Uniform Overtime in the Fire Department in order to appropriate \$1,583,979 to the Department of Human Resources for Workers Compensation.

Amount and

Source of Funds: General Fund Reserve \$575,060
Reappropriation of funds in the Fire Department's
FY 1994-95 budget from Uniform Overtime 1,008,919
Total \$1,583,979

Description: The proposed supplemental appropriation ordinance would appropriate funding to the Workers Compensation Fund in the Department of Human Resources (DHR) in order to offset an overall projected funding shortfall of \$1,583,979 in the General Fund FY 1994-95 workers compensation budget, including a deficiency of \$1,008,919 for the Fire Department. This projected shortfall is based on various departments' actual expenditures for workers compensation through April, 30 1995. The projected funding surplus or shortfall in workers compensation for each department is as follows:

<u>Department</u>	<u>FY 1994-95 Budget</u>	<u>Actual Expenditures 7/1/94 - 4/30/95</u>	<u>Projected Expenditures 5/1/95 - 6/30/95</u>	<u>Estimated Surplus/ (Shortfall)</u>
Various Departments	\$159,130	\$242,118	\$48,424	(\$131,412)
Mayor	24,256	22,286	4,457	(2,487)
Assessor	38,214	5,795	1,159	31,260
City Attorney	48,183	14,819	2,964	30,400
District Attorney	104,051	117,308	23,462	(36,719)
Treasurer	27,541	11,653	2,331	13,557
Sheriff	601,159	767,697	153,539	(320,077)
Public Defender	32,529	2,118	424	29,987
Police	5,293,268	4,494,422	898,884	(100,038)
Fire	3,604,249	3,363,057	1,250,111*	(1,008,919)
Public Library	80,000	28,488	5,698	45,814
Fine Art Museums	47,475	79,392	15,878	(47,795)
Municipal Court	63,071	69,547	13,910	(20,386)
Superior Court	113,643	76,673	15,335	21,635
Juvenile Court	281,341	453,878	90,776	(263,313)
Adult Probation	54,502	14,349	2,870	37,283
Purchasing	152,500	122,851	24,571	5,078
Electricity/Telecomm.	24,375	13,156	2,632	8,587
Social Services	<u>427,989</u>	<u>253,686</u>	<u>50,737</u>	<u>123,566</u>
Total	\$11,177,476	\$10,153,293	\$2,608,162	(\$1,583,979)

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* The projected expenditures for the Fire Department includes a straight-line projection of \$672,611 based on the Department's expenditures during the first ten months of FY 1994-95, as well as an anticipated increase of \$577,500 in workers compensation costs resulting from the March 1995 Diamond Heights fire which killed one firefighter and injured three firefighters (See Comment No. 1). Thus, the Fire Department's total projected expenditures for the period from May 1 through June 30, 1995 are \$1,250,111 (\$672,611 plus \$577,500).

Comments:

1. The Fire Department is projecting an increase of \$577,500 in workers compensation costs for the remainder of FY 1994-95, resulting from the March 1995 Diamond Heights fire, which injured three firefighters. This estimate of \$577,500 is based on the invoices received to date by the Workers Compensation Division for medical expenses.

2. The Fire Department has identified \$1,008,919 in surplus funds resulting from savings realized in the Department's Overtime, Holiday Pay and Mandatory Fringe Benefits accounts. The proposed supplemental appropriation ordinance would reappropriate these surplus funds to the Workers Compensation Fund.

3. During the FY 1994-95 budget review, the Budget Analyst estimated that the overall General Fund budget for workers compensation, as submitted by the Mayor's Office, was underbudgeted by at least \$2.9 million. In a prior supplemental appropriation request, the Municipal Railway (MUNI) requested \$2,110,000 in order to partially offset a projected shortfall of \$2,587,902, as determined by the Budget Analyst, in MUNI's FY 1994-95 workers compensation budget. Combined with this proposed supplemental appropriation of \$1,583,979 for the projected shortfall in the overall General Fund workers compensation budget, the total projected budget deficiency in workers compensation is \$4,171,881 for FY 1994-95.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Item 9 - File 127-95-4

Item: The proposed ordinance would amend Part III of the Municipal Code (Revenue and Finance-Business Regulations) to:

- Decrease the Payroll Tax rate from 1.5% to 1.0% for businesses with annual payroll expenses not exceeding \$333,333 and decrease the Gross Receipts Tax rate for businesses subject to the tax by a like amount (primarily for businesses with annual gross receipts in the range of \$1,666,667 and less) commencing January 1, 1996;
- Increase the Payroll Tax rates from 1.5% to 2.0% for businesses with an annual payroll expense of \$6,666,667 or more and increase the tax rate for businesses subject to the Gross Receipts Tax by a like amount (primarily for businesses with annual gross receipts in the range of \$33,333,333 and upwards) commencing January 1, 1996; and,
- Decrease the Small Business Tax Exemption tax liability threshold from \$2,500 to \$1,667 commencing January 1, 1996. (Note: The threshold was lowered to \$1,000 in 1993. At that time, the Municipal Code amendment provided that the exemption threshold would be restored to \$2,500 beginning January 1, 1995.) The proposed amendment would continue to exempt all businesses that have annual payrolls of \$166,667 or less or, in most cases, annual gross receipts of \$833,500 or less for businesses subject to the Gross Receipts Tax.

Businesses with annual payrolls exceeding \$333,333 and less than \$1,666,667 will continue to pay the current Payroll Tax rate of 1.5%. For businesses subject to the Gross Receipts Tax, businesses with annual gross receipts between \$1,666,668 and \$33,333,332 (generally) will continue to pay current tax rates (in most cases, \$3 per \$1,000 of gross receipts).

Description: 1. The tax rate for businesses with annual total payrolls not exceeding \$333,333 would decrease from 1.5% to 1.0% under this proposed ordinance. Such businesses now pay either a Payroll Tax or Gross Receipts Tax (whichever is higher) if this tax liability is between \$2,501 and \$5,000. Under the proposed reduced 1% tax rate, such businesses would pay either a Payroll Tax or Gross Receipts Tax of between approximately \$1,668 and \$3,333. The Gross Receipts Tax would be adjusted similarly for businesses with annual gross

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receipts of less than or equal to \$1,666,667. Such businesses now pay, in most cases, between \$2,501 and \$5,000 per year. Under the proposed reduced tax rate, such businesses would have a tax liability of between approximately \$1,668 and \$3,333 annually.

The Controller estimates that the proposed tax rate reduction from 1.5 percent to 1.0 percent would reduce business tax revenues by \$2,950,842 for a full twelve-month period. Since the tax reduction would become effective January 1, 1996, the reduction to the Fiscal Year 1995-96 tax revenues resulting from this ordinance would equal an estimated \$1,475,421. (The Controller's revenue estimates for this legislation are summarized in point 4 below).

2. The proposed ordinance would also increase the Payroll Tax rate from 1.5% to 2.0% for businesses with total payrolls exceeding \$6,666,667 annually. Such businesses now pay \$100,000 annually plus 1.5% of payroll exceeding \$6,666,667 annually. Their tax liability would increase to \$133,333 and 2.0% of payroll exceeding \$6,666,667 annually. Larger businesses subject to the Gross Receipts tax would be increased by a like amount. This rate increase would primarily apply to businesses with annual gross receipts of \$33,333,333 and more.

The Controller estimates that this tax rate increase would increase business tax revenues by \$22,917,350 for a full year and by one half that amount, or \$11,458,675 in Fiscal Year 1995-96, since the ordinance would become effective January 1, 1996.

3. Lastly, the definition of the small business exemption would be amended such that the same businesses that are exempt now would remain exempt under the reduced tax rates described in point 1 above. For example, businesses with an annual Payroll Tax liability of \$2,500 or less are presently exempt at the 1.5% rate. All businesses with an annual payroll of \$166,666.67 or less are therefore exempt. Under the proposed ordinance, the small business tax exemption would apply to businesses with a tax liability of \$1,667 or less. This exempts all businesses with an annual payroll of \$166,700 or less (since the proposed ordinance would reduce the Payroll Tax rate from 1.5% to 1.0%), which is not materially different from the current exemption level.

4. Summary of Controller's Revenue Estimate:

1995-96 Net Revenue Increase - six months
(\$11,458,675 less \$1,475,421) \$ 9,983,254

12 Month Net Revenue Increase at
current collection rates \$ 19,966,508

The Budget Analyst agrees with the Controller's revenue estimates.

Recap of Full Year Impact on Business Tax (Payroll Tax and Gross Receipts Tax) Revenue

Current Annual Estimated Payroll Tax Revenue	\$ 140,613,000	
Current Annual Estimated Gross Receipts Tax Revenue	<u>22,211,000</u>	
Total Annual Estimated Business Taxes		\$ 162,824,000
Effect of Tax Rate <u>Decrease</u> on an annual basis (see point 1 above)	(2,950,842)	
Effect of Tax Rate <u>Increase</u> on an annual basis (see point 2 above)	<u>22,917,350</u>	
Net Estimated Tax Revenue Produced by this Ordinance		<u>19,966,508</u>
Total Annual Estimated Business Tax Revenue if this Ordinance is Approved		\$182,790,508

Comments:

1. As shown above, approval of this legislation would result in net estimated annual increased Payroll and Gross Receipt Tax revenues of \$19,966,508. However, since the ordinance would become effective on July 1, 1996, the estimated revenues for Fiscal Year 1995-96 will be one-half of the annual revenues or \$9,983,254.

2. Based on data provided by the Tax Collector's Business Tax System (BTS), the following effects on San Francisco businesses would occur if this proposed ordinance is approved:

- Business tax liability will increase for 203 large businesses by an average of \$112,893 annually;
- Business tax liability will decrease for 2,480 small businesses by an average of \$1,190 annually; and,
- Current tax liability will remain the same for 43,872 businesses.

Recommendation: The proposed ordinance is a policy matter for the Board of Supervisors.

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Items 10 - File 127-95-5

Item: The proposed ordinance would amend Part III of the San Francisco Municipal Code to: increase the portion of the Transient Occupancy Tax (Hotel Tax) surcharge, which is allocated to the General Fund, by 2 percent (from 2.75 percent to 4.75 percent effective October 1, 1995. The total Transient Occupancy Tax would increase from 12 percent to 14 percent. The proposed ordinance would also increase the Transient Occupancy Tax from 12 percent to 14 percent in certain Redevelopment Project Areas. These Redevelopment Project Area Hotel Tax Funds are dedicated to debt service related to bond funded improvements to the Yerba Buena Center and the Moscone Center.

Description:

1. In accordance with Section 502.5. of Part III of the San Francisco Municipal Code, the Board of Supervisors last increased the portion of the Hotel Tax rate surcharge, which is allocated to the General Fund, by 1 percent, from 1.75 percent to 2.75 percent (increasing the total Hotel Tax rate from 11 percent to 12 percent) in August, 1993. The proposed ordinance would increase that General Fund surcharge by 2 percent from 2.75 percent to 4.75 percent effective October 1, 1995.
2. Of the current 12 percent Hotel Tax rate, revenues from the base 8 percent of the 12 percent rate are deposited in the Hotel Tax Fund and dedicated to specific programs (see Item 11, File 127-95-6 for a report on a proposed ordinance that would amend the allocations of Hotel Tax Fund revenue). The revenues produced by the remaining 4 percent of the Hotel Tax rate consist of two surcharges, one surcharge of 2.75 percent which is allocated to the General Fund and one surcharge of 1.25 percent which is allocated to the Moscone Center. Based on the Controller's 1995-96 Transient Occupancy Tax revenue estimate, the division of revenues described above are presently as follows:

1995-96 Estimated Revenue

Base Hotel Tax Rate (8%)	\$ 64,234,800
Hotel Tax Surcharge (4%)	<u>32,117,400</u>
Total (12%)	\$ 96,352,200

Based on the above estimate, if the Transient Occupancy Hotel Tax rate related to the 2.75 percent Hotel Tax Surcharge were to increase by 2 percent, from 2.75 percent

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to 4.75 percent, the estimated additional Hotel Tax revenues collected would be \$16,058,700 annually (i.e., for a full 12-month period). However, for the 1995-96 Fiscal Year, this proposed increase would only be in place for the nine month period beginning October 1, 1995 and ending June 30, 1996. Also, although the three-month period during which the tax rate increase would not be in effect represents 25 percent of the Fiscal Year, that three-month period represents approximately 29 percent of the revenue collections because hotel occupancy rates are generally higher during summer months. Therefore, an estimated 71 percent of the revenue increase for a full year would accrue to the General Fund during the last nine months when the increase in the surcharge rate would be in effect. Consequently, the last nine months would result in an estimated 71 percent of the total estimated additional revenues. Therefore, the 2 percent increase in the surcharge for the last nine months of 1995-96 would increase General Fund revenues by an estimated \$11,401,677 according to the Controller's estimate. The Budget Analyst concurs with this estimate.

If this proposed legislation is approved, the new total Hotel Tax rate of 14 percent will consist of the base Hotel Tax Rate of 8 percent which are dedicated to specific programs and a Hotel Tax Surcharge rate of 6 percent, including 4.75 percent allocated to the General Fund and 1.25 percent allocated to the Moscone Center.

3. The attachment to this report presents survey information on hotel and lodging tax rates in U.S. Cities. This survey was provided to the Budget Analyst by the Convention and Visitors Bureau.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Survey Provided by Convention and Visitors Bureau

<u>Rank</u>	<u>City</u>	<u>Hotel/Lodging Tax %</u>	<u>Notes</u>
1	Columbus	15.75	
2	Seattle.....	15.2	
3	Houston	15	
4	Chicago.....	14.86	
5	Cleveland.....	14.5	
6	Detroit.....	14	
7	Los Angeles.....	14	
8	St. Louis.....	13.85	
9	Knoxville.....	13.25	
10	Memphis.....	13.25	
11	New York	13.25	Additional \$2.00 hotel fee per night
12	Anaheim	13	Tax increases 2% as of 7/1/95
13	Atlanta	13	
14	Austin.....	13	
15	Dallas	13	
16	Philadelphia	13	
17	San Antonio	13	
18	Washington, DC....	13	\$1.50 hotel occupancy tax per night
19	Miami	12.5	
20	Nashville	12.25	
21	Atlantic City.....	12	
22	Baltimore	12	
23	Charlotte.....	12	
24	Minneapolis*.....	12	Tax is 2% less for establishments under 50 rooms
25	Raleigh.....	12	
26	San Francisco..	12	
27	Kansas City	11.98	
28	Denver	11.8	
29	Sacramento.....	11.5	
30	New Orleans	11	\$1-\$3 additional surcharge fee
31	Orlando	11	
32	Pittsburgh	11	
33	Riverside	11	
34	Jacksonville	10.5	
35	Norfolk	10.5	
36	San Diego	10.5	
37	Tampa.....	10.5	
38	Phoenix.....	10.35	
39	Cincinnati.....	10	
40	Daytona.....	10	
41	Indianapolis	10	
42	Oakland.....	10	
43	San Jose	10	
44	West Palm.....	10	
45	Boston	9.7	
46	Ft. Lauderdale	9	
47	Honolulu	9	
48	Portland.....	9	
49	Reno	9	
50	Las Vegas	8	

Source: Campaign to Keep Travel Competitive, February, 1995 Update

Item 11 - File 127-95-8

Item: The proposed ordinance would amend Part III of the Municipal Code to increase the Real Property Transfer Tax for properties conveyed in which the consideration or value of the property is \$1.0 million or more (see Comment No. 3). The proposed ordinance would also amend the Municipal Code to clarify the City and County's authority to increase this tax rate under existing law. The current tax rate for such properties is \$3.75 per \$500 of value (\$7.50 per \$1,000 of value) or fractional part thereof. The proposed ordinance would increase the tax rate to \$7.50 per \$500 of value (\$15.00 per \$1,000 of value) or fractional part thereof.

Description: 1. The last amendment approved by the Board of Supervisors to the Real Property Transfer Tax legislation increased the tax rates effective October 1, 1994 to the following levels:

<u>Property Value</u>	<u>Existing Rates per \$500 or Fraction Thereof</u>	<u>Existing Rates per \$1,000 or Fraction Thereof</u>
\$100 to \$250,000	\$2.50	\$5.00
\$250,001 to \$999,999	\$3.40	\$6.80
\$1,000,000 or more	\$3.75	\$7.50

Based on the current tax rate levels shown above, the Mayor's proposed 1994-95 budget includes General Fund revenue equal to \$20,433,000. Of this amount, the projected revenue attributable to properties that sell at prices of \$1,000,000 or more is \$10,174,176 at the current tax rate of \$3.75 per \$500 (\$7.50 per \$1,000).

2. This proposed ordinance would double the Real Property Transfer Tax rate from \$3.75 per \$500 (\$7.50 per \$1,000) to \$7.50 per \$500 (\$15 per \$1,000). On a full, twelve month basis therefore, this proposed tax rate increase could be expected to produce an additional revenue of \$10,174,176 for Fiscal Year 1995-96. The Budget Analyst concurs with the estimate of the Controller.

3. At the present tax rate of \$3.75 per \$500 (\$7.50 per \$1,000), a property that sells for \$1.0 million produces Real Property Transfer Tax revenue of \$7,500. At the proposed rate of \$7.50 per \$500 (\$15.00 per \$1,000), the same property would produce tax revenues of \$15,000.

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4. The proposed ordinance also amends Section 1101 of Part III of the Municipal Code, removing language that states that the Real Property Transfer Tax Ordinance *is adopted pursuant to the authority contained in Part 6.7 (commencing with Section 11901) of Division 2 of the Revenue and Taxation Code of the State of California.*

The new language substituted for the above states that the Real Property Transfer Tax Ordinance .. *is adopted pursuant to the City and County's legislative authority over municipal affairs.*

According to the City Attorney, the purpose of this amendment is to clarify the City and County's authority to increase the tax rate under existing law.

Comments:

1. The proposed ordinance does not specify a date of implementation for the tax rate increase. According to County Clerk/Recorder Greg Diaz, specification of a recordation date on or after which the rate increase would become effective would ease its implementation and allow for adequate notice to the Real Estate business community. Therefore, the proposed ordinance should be amended to specify a date of implementation.

2. An implementation date of August 1, 1995 for this proposed tax rate increase (as the date on or after which all property sales are recorded) would reduce the \$10,174,176 revenue estimate to \$9,326,328 for the last eleven months of Fiscal Year 1995-96. An implementation date of September 1, 1995 would revise the Fiscal Year 1995-96 revenue estimate down to \$8,478,480.

3. The title of the proposed ordinance states that the proposed tax rate applies to properties conveyed if the property value exceeds \$1,000,000. This should be amended to apply to properties conveyed of \$1,000,000 or more instead of properties conveyed where values exceed \$1,000,000.

- Recommendations:**
1. Amend the proposed ordinance to specify a date of implementation in accordance with Comment No. 1 above.
 2. Amend the title of the proposed ordinance in accordance with Comment No. 3 above.
 3. Approval of the proposed ordinance as amended is a policy matter for the Board of Supervisors.

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Item 12 - File 12-95-33

1. This item is a resolution requesting that the City lobbyist and the San Francisco delegation in the State Legislature cooperate with the California Bankers Association to modify the State Bank Tax Law to mandate subvention of a portion of these tax receipts to local government.

2. State law currently exempts banks and savings and loan associations from the payment of local taxes. Instead, the banks and savings and loan associations pay a State Bank Tax "in-lieu" of the City's Payroll/Gross Receipts Tax and Unsecured Property Tax¹. The Franchise Tax Board reports that the current State Bank Tax is two percent of net income.

3. In 1979, the State Legislature approved legislation which authorized the State to make payments to local governments from the revenues collected through the State Bank Tax (the "State Bank Tax In-Lieu Payment Law"). In 1982-83, the State made two disbursements of \$5 million each, for a total of \$10 million in one year, to local governments. This amount of \$10 million was 36.1 percent of the State's Bank Tax receipts in that year of \$27.7 million.² The State Bank Tax In-Lieu Payment Law was only in effect for one year, for it was later repealed by the State Legislature. According to the Office of the Author of the proposed resolution, the California Bankers Association, local bank officials and several local government leaders throughout the State have expressed concern that local government has unfairly been deprived of revenues as a result of the repeal of this State law.

4. In 1993, the State collected approximately \$90 million in State Bank Tax revenues. If the State disbursed 36.1 percent of this amount to local governments (as it did when the State Bank Tax In-Lieu Payment Law was originally in effect), approximately \$32.5 million would have been paid to local governments by the State in 1993. According to Mr. George Ramsey of the Franchise Tax Board, under the original State Bank Tax In-Lieu Payment Law, the State distributed State Bank Taxes to the various municipalities based on the payroll for all banks and savings and loan associations in a particular municipality in relation to the payroll for all banks and savings and loan associations in the entire State. Based on bank payroll data for San Francisco and the State of California provided by the U.S. Department of Commerce, the Budget Analyst estimates that San Francisco would have been eligible to receive approximately \$3.8 million, or 11.74 percent of the \$32.5 million paid out by the State, if the original State Bank Tax In-Lieu Payment Law had been in effect in 1993.

¹ The Unsecured Property Tax is a business tax assessed on property used in the operation of a business, such as furniture, computer equipment and lighting fixtures, whereas the Real Property Tax is a tax assessed on land and buildings.

² Neither the Franchise Tax Board nor the Controller's Office have readily available records indicating the amount disbursed to San Francisco during that year.

However, according to Mr. Ramsey, a new State Bank Tax In-Lieu Payment Law approved by the State Legislature may not provide for the same percentage of State Bank Tax revenues to be paid out to local governments as previously (36.1 percent) and/or may provide that State Bank Tax proceeds be allocated to local governments based on factors other than bank payroll. As such, the amount that San Francisco would be eligible to receive if a new State Bank Tax In-Lieu Payment Law were passed cannot be determined at this time.

5. Currently, businesses subject to the City's Payroll/Gross Receipts Tax must pay the higher of either 1.5 percent of their total payroll or, for most businesses, \$3.00 per \$1,000 of gross receipts (0.3 percent), except for businesses with a calculated tax liability of \$2,500 or less which are exempt from this tax. The Controller's Office estimates that San Francisco could be eligible to receive at least \$18.6 million in Payroll Tax revenues per year if the City were able to tax banks and savings and loan associations directly.³

6. Businesses subject to the City's Unsecured Property Tax must pay \$1.15 for every \$100 of property value (1.15 percent). However, as of the writing of this report, it was not possible to determine the potential revenue that could accrue to the City resulting from the imposition of the City's Unsecured Property Tax on banks and savings and loan associations.

7. According to the State Legislative Analyst's Office, the State may not easily forego revenue sources in the current fiscal situation without a compelling argument as to why such revenues should be diverted to local governments. The State Legislative Analyst's Office reports that, in the past, the State has frequently offset a loss in revenues from local governments with a corresponding reduction in payments to local governments in other areas.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

³ Based on inaccurate information, the Budget Analyst had previously estimated that San Francisco could be eligible to receive only \$4.9 million in Gross Receipts Tax revenues per year by directly taxing banks and savings and loan associations.

Item 13 - File 127-95-6

Item: Ordinance amending Part III of the San Francisco Administrative Code by amending Section 515 to limit certain Hotel Tax Fund allocations, beginning in Fiscal Year 1995-96 to amounts that would be received based on prior fiscal year revenues. By basing such allocations on prior year Hotel Tax Fund revenues, the allocations will usually be lower than if the allocations are based on current year revenues since, in a typical year, total Hotel Tax Fund revenues increase by some amount. The remaining, unallocated amount therefore, which is transferred to the General Fund, will be greater under this proposed method of allocation.

Description: 1. Proceeds from the base Hotel Tax rate of 8% (excluding all current surcharges which equal 4% and bring the total Hotel Tax rate to 12%) are deposited in the Hotel Tax Fund and allocated to specific programs in accordance with levels stipulated in ordinances previously approved by the Board of Supervisors. The allocations are detailed in Section 515 of Part III of the San Francisco Municipal Code. The allocations were last amended in June, 1994 to establish limitations of Hotel Tax Fund allocations at Fiscal Year 1993-94 levels for Fiscal Year 1994-95 for all Hotel Tax funded programs except the Yerba Buena Center, the Cultural Endowment Fund, the Asian Art Museum and the Fine Arts Museum. By so limiting such allocations, additional Hotel Tax funds in the amount of \$2,505,524 were made available to balance the 1994-95 General Fund budget.

3. This proposed ordinance would amend the Administrative Code permanently to provide that certain allocations, beginning in Fiscal Year 1995-96, would be limited to amounts received based on prior fiscal year revenues (i.e. 1995-96 allocations would be based on 1994-95 revenues) except for the allocations for the War Memorial Fund, the Asian Art Museum and the Fine Arts Museum, which would be limited to the amounts received based on prior fiscal year revenues beginning in Fiscal Year 1996-97 instead of Fiscal Year 1995-96. The table on the following page provides the Controller's calculation of the impact of the proposed ordinance. The \$64,234,800 total Hotel Tax Fund revenue (for the base 8% rate) is the current estimate for Fiscal Year 1995-96. The Budget Analyst concurs with this estimate.

By limiting the amount of allocations to those shown in the table below, an additional \$2,531,155 will be made available to the General Fund for 1995-96.

BOARD OF SUPERVISORS
BUDGET ANALYST

Proposed Revisions to Base 8% Hotel Tax Allocation

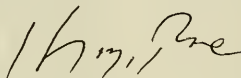
<u>Allocation of 8% Hotel Tax</u>	<u>FY 94-95 Allocation</u>	<u>FY 95-96 if ordinance is not approved</u>	<u>FY 95-96 New Proposal</u>	<u>Variance</u>
Yerba Buena Center	\$25,589,921	\$26,830,876	\$25,553,215	\$(1,277,661)
Convention and Visitors Bureau	5,544,923	6,269,316	5,970,778	(298,538)
Housing Programs	3,494,487	4,041,828	3,851,265	(190,563)
War Memorial	5,544,923	6,269,316	6,269,316	0
Candlestick Park	3,454,487	4,001,828	3,811,265	(190,563)
Administration	99,077	103,664	103,664	0
Publicity & Advertising - Non Recurring	9,149,122	10,444,578	9,947,218	(497,360)
Publicity & Advertising - Recurring	144,168	160,587	152,940	(7,647)
Cultural Endowment Equity Fund	1,070,580	1,445,283	1,376,460	(68,823)
Asian Art Museum	1,284,696	1,313,602	1,313,602	0
Fine Arts Museum	<u>3,279,034</u>	<u>3,311,304</u>	<u>3,311,304</u>	<u>0</u>
Subtotal	\$58,655,418	\$64,192,182	\$61,661,027	\$(2,531,155)
General Fund	<u>\$2,520,582</u>	<u>\$42,618</u>	<u>\$2,573,773</u>	<u>\$2,531,155</u>
Total	\$61,176,000	\$64,234,800	\$64,234,800	0

Comment:

These allocations are reflected in the Mayor's proposed 1995-96 budget that was transmitted to the Board of Supervisors on June 1, 1995. Therefore, disapproval of this proposed ordinance would require a reduction to the Mayor's recommended budget in the amount of \$2,531,155.

Recommendation:

The proposed ordinance is a policy matter for the Board of Supervisors.


Harvey M. Rose

cc: Supervisor Hsieh	Supervisor Migden
Supervisor Kaufman	Supervisor Teng
Supervisor Bierman	Clerk of the Board
President Shelley	Chief Administrative Officer
Supervisor Alioto	Controller
Supervisor Ammiano	Teresa Serata
Supervisor Hallinan	Robert Oakes
Supervisor Kennedy	Ted Lakey
Supervisor Leal	

BOARD OF SUPERVISORS
BUDGET ANALYST

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6/14/95

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, JUNE 14, 1995 - 1:00 P.M. ROOM 410, WAR MEMORIAL BLDG.

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:15 P.M.

FISCAL

1. File 127-95-6. [Hotel Tax Allocation] Ordinance amending Article 7, Part III, Municipal Code, by amending Section 515 to base allocations of Hotel Tax revenues on revenues received in the immediately prior fiscal year rather than on estimated revenues for the allocation year. (Supervisor Hsieh)

(Consideration Cont'd from 6/7/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst, Teresa Serata, Budget Director, Office of the Mayor; Ed Harrington, Controller, Alice Lowe, Past Chairperson, Asian Art Museum Board of Trustees; Beth Murray, Acting General Manager, War Memorial Board of Trustees; Judy Teichman, Asian Art Museum. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. TO BOARD "WITHOUT RECOMMENDATION".

VOTE: 2-1. (Supervisor Bierman dissenting.)

2. File 101-94-38.1. [Reserved Funds, Public Utilities Commission] Consideration of release of reserved funds, Public Utilities Commission, (Water Department Operating Fund), in the amount of \$283,500, for the purpose of continuing the processing of the development application for the Pleasanton Land Project, 1994-95. (Public Utilities Commission)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$283,500 APPROVED. FILED.

VOTE: 3-0.

3. File 101-95-1. [Interim Annual Appropriation Ordinance for Fiscal Year 1995-96] Interim Annual Appropriation Ordinance, fiscal year 1995-96, an ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for the fiscal year ending June 30, 1996. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Teresa Serata, Budget Director, Office of the Mayor. NO POSITION: LaWanda Preston, SEIU, Local 790. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

4. File 102-95-1. [Interim Annual Salary Ordinance for Fiscal Year 1995-96] Interim Annual Salary Ordinance, an ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the fiscal year ending June 30, 1996, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Teresa Serata, Budget Director, Office of the Mayor. NO POSITION: LaWanda Preston, SEIU, Local 790. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

BONDS

5. File 170-95-6. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to City Hall, including life safety improvements, disabled access improvement, electrical power and system improvements, building system and communication improvements, historic preservation improvements, functional space conversion improvements, childcare improvements and waterproofing improvements, and regulated acquisition, construction and reconstruction necessary for the foregoing purposes, that the estimated cost of \$78,130,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County will require the incurring of a bonded indebtedness. (Supervisor Hsieh)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney.
DEPARTMENTAL REPRESENTATIVES: Steve Nelson, Chief Administrative Office; Harvey Rose, Budget Analyst; Kevin Haggerty, Department of Parking and Traffic; Todd Colburn, City Engineer, Department of Public Works; Ed Harrington, Controller; Mindy Linetzky, Legislative Aide to Supervisor Kevin Shelley. IN SUPPORT: John McKoser; Phillip Carlton. OPPOSED: Randy Shaw, Director, Tenderloin Housing; John Erlich; Marie Supella, Director, Housing Committee.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY STEVE NELSON, CHIEF ADMINISTRATIVE OFFICE. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. AMENDED TITLE: "Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to City Hall, including life safety improvements, disabled access improvement, electrical power and system improvements, building system and communication improvements, historic preservation improvements, functional space conversion improvements, childcare improvements and waterproofing improvements, and regulated acquisition, construction and reconstruction necessary for the foregoing purposes, that the estimated cost of \$63,590,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County will require the incurring of a bonded indebtedness."

VOTE: 3-0.

6. File 170-95-7. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following Municipal Improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to underground storage tanks owned by the City and County, which improvements shall include repair, removal and/or replacement of the underground storage tanks, and testing remediation of past and present storage tank sites, and regulated acquisition, construction and reconstruction for the foregoing purposes, that the estimated cost of \$51,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisor Hsieh)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney. DEPARTMENTAL REPRESENTATIVES: Steve Nelson, Chief Administrative Office; Harvey Rose, Budget Analyst; Kevin Haggerty, Department of Parking and Traffic; Todd Colburn, City Engineer, Department of Public Works; Ed Harrington, Controller; Mindy Linetzky, Legislative Aide to Supervisor Kevin Shelley. IN SUPPORT: John McKoser; Phillip Carlton. OPPOSED: Randy Shaw, Director, Tenderloin Housing; John Erlich; Marie Supella, Director, Housing Committee.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY STEVE NELSON, CHIEF ADMINISTRATIVE OFFICE. ADOPTED. AMENDED. AMENDMENT OF THE WHOLE RECOMMENDED AS AMENDED. Amend amount of bond to \$44,100,000 to include St. Mary's Square Garage. AMENDED TITLE: "Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following Municipal Improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to underground storage tanks owned by the City and County, which improvements shall include repair, removal and/or replacement of the underground storage tanks, and testing remediation of past and present storage tank sites, and regulated acquisition, construction and reconstruction for the foregoing purposes, that the estimated cost of \$44,100,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness."

VOTE: 3-0.

7. File 170-95-8. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to the Steinhart Aquarium and related facilities and structures, including seismic upgrade, asbestos and lead abatement, disabled access improvements, life support system improvements, building system improvements and structural improvements, and related acquisition, construction and reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$28,670,829 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisors Shelley, Kaufman)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney.
DEPARTMENTAL REPRESENTATIVES: Steve Nelson, Chief Administrative Office; Harvey Rose, Budget Analyst; Kevin Haggerty, Department of Parking and Traffic; Todd Colburn, City Engineer, Department of Public Works; Ed Harrington, Controller; Mindy Linetzky, Legislative Aide to Supervisor Kevin Shelley. IN SUPPORT: John McKoser; Phillip Carlton. OPPOSED: Randy Shaw, Director, Tenderloin Housing; John Erlich; Marie Supella, Director, Housing Committee.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED IN COMMITTEE BY STEVE NELSON, CHIEF ADMINISTRATIVE OFFICE. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. (Add Supervisor Kaufman as co-sponsor.) AMENDED TITLE: "Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to the Steinhart Aquarium and related facilities and structures, including seismic upgrade, asbestos and lead abatement, disabled access improvements, life support system improvements, building system improvements and structural improvements, and related acquisition, construction and reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$29,245,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness."

VOTE: 3-0.

FEE

8. File 127-95-3. [Occupation License Fee] Ordinance amending Part III, Municipal Code, by adding Article 12-E ("Occupation License Fee Ordinance") thereto to impose a license fee of two percent (2%) of compensation on employees earning in excess of \$150,000 for work performed or services rendered within San Francisco; setting effective date of January 1, 1996. (Supervisor Ammiano)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Michael Housh, Administrative Assistant to Supervisor Tom Ammiano; Harvey Rose, Budget Analyst. IN SUPPORT: Mark Melton, San Franciscans for Tax Justice; Hans Gallenger, Bernal Heights Democratic Club; David Barnum. OPPOSED: Lee Korins, Chair, Pacific Stock Exchange; Mr. Rhea Serpan, President, San Francisco Chamber of Commerce; Ken Cleveland, Building Owners and Managers of San Francisco; Steven Cornel, Council of District Merchants; Teri Hanlan, Vice President, Bank of America; Sue Lee, Vice President, San Francisco Chamber of Commerce; Dorothy Conlain, Air Touch Communications; Valerie Bergman.

ACTION: HEARING HELD. TO BOARD "WITHOUT RECOMMENDATION".

VOTE: 2-1. (Supervisor Kaufman dissenting.)

GENERAL ITEMS

9. File 186-95-5. [San Francisco Affinity Card] Resolution urging the Chief Administrative Officer to examine proposals for the creation of an Affinity Card for the City of San Francisco and seeking input from appropriate departments in its formulation. (Supervisor Migden)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Michael Colbruno, Legislative Aide to Supervisor Carole Migden. IN SUPPORT: Craig Wolfe, Wells Fargo Bank. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED BY MICHAEL COLBRUNO, LEGISLATIVE AIDE TO SUPERVISOR MIGDEN. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. AMENDED TITLE: "Resolution urging the Chief Administrative Officer, the Controller and the Treasurer to examine proposals for the creation of an Affinity Card for the City of San Francisco and seeking input from appropriate departments in its formulation."

VOTE: 3-0.

10. File 199-95-1. [Real Property Jurisdictional Transfer] Resolution transferring jurisdiction of a portion of Lots 7, 8, 8A, 9 and 10, Assessor's Block 3742, from the Department of Public Works to the Port of San Francisco, for use as a public park; and adopting findings that such transfer is consistent with the City's Master Plan and Eight Priority Policies of City Planning Code Section 101.1. (Real Estate Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; David Madway, Redevelopment Agency Legal Counsel; Veronica Sanchez, Port of San Francisco. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

ASSESSMENT DISTRICT

11. File 231-95-1.1. [Declaration of Intention to Form Assessment District] Resolution declaring the intention to form the Park and Recreation Improvement District for enhancements ("PRIDE"), a Benefit Assessment District for fund maintenance of park property; approving the Engineer's Report regarding the district; describing the maintenance and servicing to be funded; and giving notice of hearing on the question of the formation of the district and levy of an assessment. (Supervisors Hsieh, Bierman, Leal, Teng)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mary Burns, General Manager, Recreation and Park Department; Ed Harrington, Controller. IN SUPPORT: Linda Hoffmann, Consultant, Nolte and Associates; Dennis Antenore, Subcommittee for Advocates for Recreation and Parks; Clayton Mansfield, SF Sierra Club.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

12. File 127-95-9. [Forming Assessment District and Levying Assessments] DRAFT Ordinance amending Part III, Municipal Code by adding a new Article ___ thereto forming Park and Recreation Improvement District for enhancements ("PRIDE"), a Benefit Assessment District to fund maintenance and Park property; ordering the improvements; and levying an assessment to fund the improvements. (Supervisors Hsieh, Bierman, Leal, Teng)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mary Burns, General Manager, Recreation and Park Department; Ed Harrington, Controller. IN SUPPORT: Linda Hoffmann, Consultant, Nolte and Associates; Dennis Antenore, Subcommittee for Advocates for Recreation and Parks; Clayton Mansfield, SF Sierra Club.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

13. File 127-95-7. [Special Assessment Notice Requirement] Ordinance amending Part III, Municipal Code, by enacting a new Article 18, Sections 1800, 1801 and 1802, to prescribe special notice requirements for any legislation levying a Special Benefit Assessment. (Supervisor Kaufman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mary Burns, General Manager, Recreation and Park Department; Ed Harrington, Controller. IN SUPPORT: Linda Hoffmann, Consultant, Nolte and Associates; Dennis Antenore, Subcommittee for Advocates for Recreation and Parks; Clayton Mansfield, SF Sierra Club.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

HEARING

14. File 157-95-1. [Departmental Report of Fees, 1994-95] Consideration of the communication transmitted from the Controller regarding Departmental Report Fees, 1994-95, except fees regulated by State or Federal law, pursuant to Section 3.17-2 of the Administrative Code. (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. FILED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 4:40 P.M.

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CITY AND COUNTY



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/ OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 9, 1995

TO: // Budget Committee
FROM: /// Budget Analyst *Recommendation of*
SUBJECT: June 14, 1995 Budget Committee Meeting

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JUN 13 1995

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Item 1 - File 127-95-6

Note: This item was continued by the Budget Committee at its meeting of June 7, 1995.

Item: Ordinance amending Part III of the San Francisco Administrative Code by amending Section 515 to limit certain Hotel Tax Fund allocations, beginning in Fiscal Year 1995-96 to amounts that would be received based on prior fiscal year revenues. By basing such allocations on prior year Hotel Tax Fund revenues, the allocations will usually be lower than if the allocations are based on current year revenues since, in a typical year, total Hotel Tax Fund revenues increase by some amount. The remaining, unallocated amount therefore, which is transferred to the General Fund, will be greater under this proposed method of allocation.

Description: 1. Proceeds from the base Hotel Tax rate of 8% (excluding all current surcharges which equal 4% and bring the total Hotel Tax rate to 12%) are deposited in the Hotel Tax Fund and allocated to specific programs in accordance with levels stipulated in ordinances previously approved by the Board of Supervisors. The allocations are detailed in Section 515 of Part III of the San Francisco Municipal Code. The allocations were last amended in June, 1994 to establish limitations of Hotel Tax Fund allocations at Fiscal Year 1993-94 levels for Fiscal Year 1994-95 for all Hotel Tax funded programs except the Yerba Buena Center, the

Cultural Endowment Fund, the Asian Art Museum and the Fine Arts Museum. By so limiting such allocations, additional Hotel Tax funds in the amount of \$2,505,524 were made available to balance the 1994-95 General Fund budget.

3. This proposed ordinance would amend the Administrative Code permanently to provide that certain allocations, beginning in Fiscal Year 1995-96, would be limited to amounts received based on prior fiscal year revenues (i.e. 1995-96 allocations would be based on 1994-95 revenues) except for the allocations for the War Memorial Fund, the Asian Art Museum and the Fine Arts Museum, which would be limited to the amounts received based on prior fiscal year revenues beginning in Fiscal Year 1996-97 instead of Fiscal Year 1995-96. The table on the following page provides the Controller's calculation of the impact of the proposed ordinance. The \$64,234,800 total Hotel Tax Fund revenue (for the base 8% rate) is the current estimate for Fiscal Year 1995-96. The Budget Analyst concurs with this estimate.

By limiting the amount of allocations to those shown in the table below, an additional \$2,531,155 will be made available to the General Fund for 1995-96.

Proposed Revisions to Base 8% Hotel Tax Allocation

<u>Allocation of 8% Hotel Tax</u>	<u>FY 94-95 Allocation</u>	<u>FY 95-96 if ordinance is not approved</u>	<u>FY 95-96 New Proposal</u>	<u>Variance</u>
Yerba Buena Center	\$25,589,921	\$26,830,876	\$25,553,215	\$(1,277,661)
Convention and Visitors Bureau	5,544,923	6,269,316	5,970,778	(298,538)
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Publicity & Advertising - Recurring	144,168	160,587	152,940	(7,647)
Cultural Endowment Equity Fund	1,070,580	1,445,283	1,376,460	(68,823)
Asian Art Museum	1,284,696	1,313,602	1,313,602	0
Fine Arts Museum	<u>3,279,034</u>	<u>3,311,304</u>	<u>3,311,304</u>	<u>0</u>
Subtotal	\$58,655,418	\$64,192,182	\$61,661,027	\$(2,531,155)
General Fund	<u>\$2,520,582</u>	<u>\$42,618</u>	<u>\$2,573,773</u>	<u>\$2,531,155</u>
Total	\$61,176,000	\$64,234,800	\$64,234,800	0

Comment: These allocations are reflected in the Mayor's proposed 1995-96 budget that was transmitted to the Board of Supervisors on June 1, 1995. Therefore, disapproval of this proposed ordinance would require a reduction to the Mayor's recommended budget in the amount of \$2,531,155.

Recommendation: The proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 101-94-38.1

- Department:** Water Department (SFWD)
Public Utilities Commission (PUC)
- Item:** Hearing requesting release of reserved funds in the amount of \$283,500 for the purpose of the Pleasanton Land Project, 1994-95.
- Source of Funds:** Water Department Operating Fund
- Description:** In January of 1995, the Board of Supervisors approved a \$673,000 supplemental appropriation from the SFWD Operating Fund to support the Pleasanton Land Project activities (File 101-94-38). A portion of the \$673,000, totaling \$283,500, was placed on reserve pending submission of budget details.
- The \$283,500 requested for release from reserve would be used to fund services of The Planning Collaborative, which is the prime consultant for the project. The anticipated project budget of \$488,214, including this request for \$283,500, for the six month period from April through September, 1995, is shown in Attachment 1 of this report. According to that document, the proposed release of reserve is designed to fund the consultant's activities through the end of September, 1995.
- The Pleasanton Land Project is approximately 58 acres of land (the Bernal property) owned by the SFWD that is surplus to the SFWD's needs. This land is located immediately adjacent to the City of Pleasanton near Interstate 680 and Bernal Avenue, in an unincorporated area of Alameda County.
- The PUC has been involved in planning and negotiations with the City of Pleasanton regarding development of this property to generate revenue for the City since 1988. In 1994, the PUC decided to apply to Alameda County for the property entitlements (zoning, Specific Plan and Development Agreement) that had originally been sought from the City of Pleasanton. In March of 1995, a draft Environmental Impact Report and specific plan for the property were published by Alameda County. The public comment period closed on May 10, 1995. The Alameda County Planning Department and the SFPUC are currently responding to the comments received. At the same time, the City of Pleasanton is pursuing efforts to forcibly annex the Bernal property.

BOARD OF SUPERVISORS
BUDGET COMMITTEE

The PUC hired a new, full time Project Manager with real estate development experience in February of 1995. The new Project Manager Mr. Rick Nelson, has prepared a Project Status Report which is included as Attachment 2 to this report.

Comments:

1. The major expense to date related to the Pleasanton Land Project has been the contract with The Planning Collaborative, which has been amended five times. In general this consultant has responsibility for preparing or coordinating planning, engineering and financial analyses and reports needed to obtain project entitlements from the local jurisdictions. The consultant has also taken a major negotiating role with the local jurisdictions. The contract with The Planning Collaborative currently totals \$2,755,058, including this request. Further appropriations for The Planning Collaborative, beyond the requested release of reserve, would require another amendment of the contract.

The Budget Analyst has previously recommended, both in a June, 1994 management audit of the SFWD and in a report to the Budget Committee of the Board of Supervisors regarding the January, 1995 supplemental appropriation request, that the SFWD obtain sufficient detail in invoices from The Planning Collaborative to enable the project manager to adequately monitor contract performance. Mr. Nelson states that, since he has started managing the Pleasanton Land Project, he has instituted a practice of reviewing all bills from The Planning Collaborative in detail, in order to ensure that the consultant is spending an appropriate amount of time in each area of the scope of work. Mr. Nelson reports that he has already required the consultant to reduce one invoice.

2. Mr. Nelson advises that the nature of the work required of the consultant and City staff cannot be predicted precisely because it is to some extent out of the control of the City. For example, Mr. Nelson states that, in order to respond to comments received on the Pleasanton Land Project EIR published by Alameda County, the Alameda County Planning Department has requested certain additional information and analysis that was not originally anticipated. Mr. Nelson states that the consultant project budget and work schedule (Attachment 1) is the best current estimate of project requirements, but he advises that it may be necessary to reallocate certain

expense items in order to respond to Alameda County or to the annexation attempt by the City of Pleasanton.

Mr. Nelson advises that he cannot state at this time whether or not the SFWD will request a sixth amendment to the contract with The Planning Collaborative. However, he states that, following receipt of project entitlements from Alameda County, the nature of the work will shift to focus on pre-development activities such as obtaining permits from agencies responsible for approving project utility services and other public agency agreements before construction could begin (if the City decides to retain the property and participate in its development). Mr. Nelson states that, with a full time Project Manager, the SFWD will consider doing more of the work in-house and/or contracting directly with several different consultants, rather than having The Planning Collaborative manage the team of subconsultants. Attachment 3 provides a statement from the Project Manager regarding future use of The Planning Collaborative and the likelihood of further amendments to The Planning Collaborative's contract.

3. Mr. Nelson states that if the City of San Francisco is able to obtain approval of the development application from Alameda County prior to annexation by the City of Pleasanton, the Bernal property would not be subject to Pleasanton's jurisdiction pursuant to the California Government Code. He advises that the SFWD and Alameda County are pursuing actions to delay or terminate the annexation attempt by the City of Pleasanton.

4. The SFWD has requested \$950,000 in its FY 1995-96 budget for the Pleasanton Land Project. Mr. Anson B. Moran, General Manager of the PUC, states that the FY 1995-96 funding would cover additional pre-development work and anticipated legal expenses to defend the Alameda County land use approvals against lawsuits from the City of Pleasanton, and to pursue legal action against the City of Pleasanton's annexation attempt.

Recommendation: Approve the proposed release of reserved funds.

ANTICIPATED PROJECT BUDGET (April - September 1995) SFBERNAL PROJECT

\$761.07

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12/23/95

TASK	BUDGET
1.0 Public Hearings	
A. AC Planning Comm.	\$7,500
B. AC Board of Sups	\$8,000
subtotal	\$15,500
2.0 Final Environmental Impact Report	
A. Additional Studies	
A.1 Traffic	\$15,000
A.2 Engineering (water, sewer)	\$11,000
A.3 Environmental	\$7,500
B. Response to Comments	\$34,400
C. Mitigation Monitoring Plan	\$7,800
D. Revise Draft EIR	\$21,120
E. Publish FEIR	\$5,280
F. Printing Costs	\$10,000
subtotal	\$112,100
3.0 Specific Plan	
A. Modify Specific Plan	\$30,800
B. Publish Plan	\$5,280
C. Printing Costs	\$10,000
subtotal	\$46,080
4.0 PD Zoning Ordinance	
A. Meetings with County	\$3,000
B. Review and Comment on Ordinance	\$6,000
C. Application and Adoption process	\$1,000
subtotal	\$10,000
5.0 Development Agreement	
A. Negotiation Support	
EPS	\$5,000
TPC	\$5,200
B. Negotiation Meetings (TPC and EPS)	\$15,000
subtotal	\$25,200
6.0 Tentative Map Application	
A. Negotiate Map Conditions	\$7,800
B. Response to Map Conditions	\$25,000
subtotal	\$32,800

7.0 Fiscal Analysis/ Cost Burden		
A. County Fiscal Impact Analysis	EPS	\$20,000
B. Capital Costs	TPC	\$10,460
	ShermCo	\$15,000
	Cost Estimating	\$12,000
subtotal		\$57,460
8.0 Disposition Program		
	EPS/TPC	\$21,000
subtotal		\$21,000
9.0 Pleasanton Annexation Process		
A. Comments on EIR		\$12,720
B. Jurisdiction Determination		
	TPC	\$4,000
	surveyor	\$8,000
C. Modify Land Plan		\$11,240
D. EIR Challenge Support		\$4,000
E. Pleasanton Hearings		\$6,000
subtotal		\$45,960
10.0 Outreach Program		
	Development Consult.	\$18,000
	Public Agency/Private Interest/Neigh	\$22,364
	Press/Media	\$10,000
subtotal		\$50,364
11.0 Project Management		
		\$54,000
Subconsultant Fees	10% subs	\$17,750
subtotal		\$71,750
TOTAL		\$488,214

TOTAL REMAINING AUTHORIZED BUDGET (4/1/95)	\$204,714
TOTAL ESTIMATED PROJECT BUDGET	\$488,214
UNFUNDED BALANCE	\$283,500

CONFIDENTIAL

ENTITLEMENT AND WORK SCHEDULE

SAN FRANCISCO WATER DEPARTMENT BERNAL AVENUE PROPERTY

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Job Description	March 27-3	6-10	13-17	20-24	27-31	April 3-7	10-14	17-21	24-28	May 1-5	8-12	15-19	22-26	29-2	June 5-9	12
1.0: APPROVAL PROCESS PUBLIC HEARINGS																
1.10 Alameda County Planning Commission										2		15			5	
1.20 Alameda County Board of Supervisors										2.4	9	16	23	30	6.8	
San Francisco Public Utilities Commission						11					9			18		
ENVIRONMENTAL IMPACT REPORT																
Publish Draft Environmental Impact Report				24												
Public Comment Period Closes																
Supplemental Environmental/Engineering Studies																
Response to Comments																
Publish Final Environmental Impact Report																
S.F. Indemnification Agreement																
Public Hearings																
Certify Final Environmental Impact Report																
SPECIFIC PLAN																
Publish Draft Specific Plan				24												
Recommend Specific Plan Changes (County/SFWD)																
Public Hearings																
Adopt Specific Plan and Changes																
Revises and Publish Final Specific Plan																
PD ZONING ORDINANCE																
County Prepares Draft																
San Francisco Review and Comment																
Finalize PD Ordinance																
Public Hearings																
Adopt PD Ordinance																
DEVELOPMENT AGREEMENT																
Complete Draft DA																
Submit DA to County																
County Review of DA																
DA Mtg. (SF/Alameda County)																
Finalize & Submit DA																
Public Hearings																
SF Approval of DA																
Adopt DA																
VESTING MASTER TENTATIVE MAP																
Submit Draft Tentative Map					31											
PUC Authorizes Execution of VTP						11										
County Prepares Draft Condition of Approval																
SF Review of Conditions																
Negotiate Final Map Conditions																
Finalize and Submit VTM																
Approve VTP (Administrative)																
FISCAL/CAPITAL REPORTS																
Fiscal Meeting CAO/Staff, Prepare Report																
Submit Final Fiscal Impact Analysis																
Review/Update Capital Cost Program																
Prepare Capital Cost Burden Analysis																
Submit Cost Burden Report																
DISPOSITION PROGRAM																
Prepare Disposition Option Plan																
Submit Disposition Plan to SFPUC																
PLEASANTON ANNEXATION																
Pleasanton Publishes DEIR				22												
San Francisco Prepares Comments																
Public Comment Period Closes																
Response to Comments																
Pleasanton Public Hearings																
Pleasanton Prezoning Action																
EIR Challenge																6
LAFCO Hearings																
Boundary Jurisdiction Determination												11				
Land Plan Map Modification Per EIR Alternative																
OUTREACH PROGRAM																
Public Agency Meetings																
Environmental Group Meetings																
Local Neighborhood Group Meetings																
Other Interest Group Meetings																
Press and Media Documents																

Alameda County Board of Supervisors meets every Tuesday morning with planning matters reserved for the first Thursday of each month

Alameda County Planning Commission meets first & third Monday of each month

Pleasanton City Council meets first & third Tuesday of each month

Pleasanton Planning Commission meets second and fourth Wednesday of each month

Alameda County LAFCO meets every other month, second Tuesday

Special Alameda County Supervisors/Planning Commission Meetings on July 10, 24 and September 14 (tentative dates)

SFPUC meets second and fourth Tuesdays of each month

11/10/2010 10:10:10 AM

Revised 3/23/98

BERNAL PROPERTY PROJECT STATUS REPORT 1994/1995 SUPPLEMENTAL BUDGET RESERVE

Project Management

Following final approval of the supplemental budget by the San Francisco Board of Supervisors on January 3, 1995, a project manager with private real estate development experience was hired effective February 1, 1995.

Two additional Project Steering Committee meetings were held on January 3 and May 19, 1995. The PUC General Manager, Water Department General Manager, representatives from the CAO, Controller's Office, the Planning and Real Estate Departments, the Port, Mayor's Office and City Attorney's Office were in attendance to provide input on the project.

Specific Plan, EIR and Development Agreement Entitlements

Work continued on preparation of the draft specific plan, EIR, development agreement and tentative parcel map. Comments received from Alameda County Planning staff, City Attorney's Office, project subconsultants and project manager were addressed and incorporated into the various documents. Additional biology studies (wetland and endangered species surveys) were also completed at the request of Alameda County Planning staff. On March 23, 1995 the draft EIR (DEIR) and specific plan were published for public review and comment. The tentative parcel map and development agreement were submitted to the Alameda Planning Department in April.

A public hearing was held on May 2, 1995 in Dublin by the Alameda Planning Commission to take testimony on the project DEIR. A presentation was made at the public hearing by the Bernal project team. The public comment period closed on May 10, 1995. Written comments were received from the following agencies and municipalities: City of Pleasanton, Alameda County Congestion Management Agency, Dublin San Ramon Services District, Alameda County Public Works, Alameda County Flood Control and Water Conservation District, Department of Toxic Substances Control, East Bay Regional Parks and Department of Fish and Game with the majority of comments coming from the City of Pleasanton. Comments are currently being reviewed and evaluated by the Alameda Planning Department and the Bernal project team to coordinate responses and decide if additional studies are necessary. A determination to recirculate the DEIR or to prepare the final EIR (FEIR) is also being evaluated.

The first of two Alameda Planning Commission work sessions was held on May 15, 1995. The first work session in Hayward was designed for the Planning Commission to discuss issues and raise questions on the Bernal property Specific Plan and DEIR with planning staff. The second work session scheduled for June 5, 1995 in Dublin is to provide San Francisco Water Department an opportunity to respond to the comments, questions and concerns raised by the Planning Commission and address the DEIR comments. If the DEIR is not recirculated, the FEIR is anticipated to be considered by the Planning Commission in July. The Alameda County Board of Supervisors would then be able to take action on the development application in September or October.

Fiscal Impact Analysis/Capital Costs/Disposition Plan

Work commenced on the fiscal impact analysis. Meetings with the Alameda Fire and Sheriff Departments, County Administrator Office and Planning Department were held to discuss the proposed project urban level of services, general fund and departmental budget funding and expenditures, and report methodology. A draft administrative report will be submitted to the county on May 24, 1995.

A capital cost burden and estimate was completed based on the DEIR and Specific Plan requirements. A disposition options report is being prepared to: 1) review disposition alternatives; 2) evaluate the potential disposition returns and 3) discuss issues affecting disposition of the property. The report is scheduled to be presented to the PUC in June.

Pleasanton Annexation

Pleasanton continued its efforts to assert jurisdictional control of the property by attempting to forcibly annex the Bernal property. Pleasanton published a draft EIR to pre-zone the property on March 22, 1995 to allow a request for annexation to be heard by the Local Area Formation Commission. SFWD presented oral comments at the April 11, 1995 Pleasanton Planning Commission meeting followed by written comments submitted on May 8, 1995, the close of public comment period, citing the EIR inadequacies.

Part of the SFWD comments made on the Pleasanton EIR required conducting an additional traffic analysis in order to compare the results of the Bernal EIR with that of Pleasanton's. In an attempt to control project expenditures and stay within budget, San Francisco Planning Department was requested to assist in reviewing and drafting responses to Pleasanton's EIR but were unable to do so because of other work commitments. Should Pleasanton proceed to certify its EIR and take action to approve the pre-zoning with out first recirculating its DEIR to address the document inadequacies, a writ of mandate (litigation) will be filed by the City Attorney's Office on behalf of the SFWD to overturn the EIR. The City Attorney's Office has also completed additional research to identify the various alternatives available to defer or terminate Pleasanton's annexation efforts.

A property record of survey will be prepared in June in order to reconcile discrepancies revealed in preliminary title report property descriptions, recorded parcel maps, and prior property parcel boundary mapping. The survey will also determine the exact location of those portions of the property which have been previously annexed by Pleasanton.

Public Relations/Outreach

Press and media communication packages were prepared to respond to media inquires and address public questions about the project. Meetings with Sierra Club and Green Belt Alliance environmental groups were held in an effort to enlist their support for the project as an urban infill project and self sustaining plan. Various other meetings with the Alameda Planning Commission and Board of Supervisors, public agencies, adjacent property owners and other interested parties were also conducted to explain and answer questions about the project and solicit support.

Budget

Certain aspects of the above work (responses and traffic analysis for Pleasanton DEIR, legal work to prevent Pleasanton annexation, boundary survey, recirculation of DEIR) and potential future requests and questions of Alameda County Planning Commission, Board of Supervisors and staff (project model, number and duration of public hearings, additional project background information etc.) were not included in the current scope of work. These additional expenses may impact the 1995-96 budget and work plan.

(status.rpt)

5/23/95



City & County of San Francisco
Public Utilities Commission
SAN FRANCISCO WATER DEPARTMENT

MEMORANDUM

DATE: June 8, 1995

TO: Evc Sternberg
Board of Supervisors Budget Analyst

FROM: Richard M. Nelson, Project Manager
Pleasanton Land Project *R. M. Nelson*

RE: The Planning Collaborative Contract and Future Project Involvement

The following is in response to your question as to whether it will be necessary to amend The Planning Collaborative's (TPC) contract as part of the current work and what TPC's future role would be if SFWD receives Alameda County's entitlement approvals and further pre-development work is undertaken.

As indicated in the project status report (Attachment 2), certain tasks (Pleasanton annexation issues, boundary survey etc.) are being undertaken that were not included in TPC's fifth contract amendment scope of work. To respond to these unanticipated work tasks, some elements of TPC's original budget have been reallocated and work re-prioritized. If the project approvals are obtained in the time frames currently anticipated (September 1995), the draft EIR is not recirculated and significant additional unbudgeted work requests (e.g. project model) are not required by the County, TPC's contract should not need to be amended for the current work. Every effort is being made to obtain the entitlement approvals within the current supplemental budget.

Should pre-development work be undertaken to further position the property for development, TPC's project involvement and role will most likely change. TPC's project history and knowledge will certainly be a resource which would be appropriate to draw upon, however, the nature of the pre-development work will be such that TPC's area of expertise will not be as useful or pertinent. Furthermore, now that a full time project manager has been assigned to the project with real estate development experience, individual consultants could be retained to work directly with the project manager as necessary, to support the pre-development work activities.

cc: Noreen Ambrose
Bill Laws
(sternbrg.mem)

Post-It® Fax Note 7671		Date 6/9/95	# of pages 1
To Evc Sternberg	From Rich Nelson		
Co./Dept.	Co.		
Phone #	Phone #		
Fax # 252-0461	Fax #		

Items 3 and 4 - Files 101-95-1 and 102-95-1

1. These items are the Interim Annual Appropriation Ordinance (File 101-95-1) and Interim Annual Salary Ordinance (File 102-95-1) for Fiscal Year 1995-96.

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for Fiscal Year 1995-96 on or before June 30, 1995. The purpose of these interim ordinances is to provide position and expenditure authorization for the various departments of the City and County during the time that the Board of Supervisors is reviewing the Mayor's recommended budget for Fiscal Year 1995-96. The budget is scheduled to be adopted by the Board of Supervisors on July 17, 1995.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the Fiscal Year 1995-96 proposed budget recommendations of the Mayor. Hence, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed 1995-96 budget. Each program and program revision will be reviewed in detail during the budget hearings and sessions which have been scheduled by the Budget Committee from June 20 through June 29, 1995.

4. As a general policy, in previous years, the Board of Supervisors has not approved new positions and programs during the interim budget period without detailed review. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, new programs or program expansions during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until August 1 at the earliest.

5. The Administrative Provisions of the Interim Annual Appropriation Ordinance further state that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision. In certain cases, specific exceptions to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue or prevent major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases, for example, could result in cost savings.

6. The Controller has proposed revisions to the Administrative Provisions of the Annual Appropriation Ordinance (AAO). Minor revisions are made in order to (a) make the Administrative Provisions of the AAO consistent with actions previously taken by the Board of Supervisors during Fiscal Year 1994-95, (b) make them consistent with current budgeting and accounting practice, (c) clarify procedures, (d) remove obsolete language and (e) ensure that the Administrative Provisions conform to the Charter of the City and County of San Francisco.

Significant changes to the Administrative Provisions of the AAO as recommended by the Controller are as follows:

- a. Section 4.5 - For certain properties held in trust, allows rents to be used to pay maintenance costs, including services of the Real Estate Department, pending conversion of property to use for which it was acquired.
- b. Section 5.1 - Provides for payment of City and County bond costs, including issuance costs and legal and financial advice, from proceeds of bonds when approved by the Board of Supervisors.
- c. Section 6 - For expenditures based upon estimated receipts, income or revenues which may not be fully realized, provides for the Controller to establish variable periods instead of just monthly or quarterly for departmental expenditure allotments.
- d. Sections 10, 10.1, 10.3, 10.4 - Adds subsection allowing transfer of funds to pay any legal salary obligations and allows Controller to authorize and direct transfers to adjust legal rates of pay that have changed. Allows funds appropriated for personal service contracts to be transferred to salary accounts for the specific purpose of using City personnel in lieu of private contractors with the approval of the Human Resources Director and the Mayor and the certification by the Controller that such transfer of funds would not increase the cost of government. Allows the Controller to authorize and direct transfers to provide costs of non-salary benefits in ratified MOUs or arbitration awards.
- e. Section 10.5-1 - Should monies become available because of an anticipated further adjustment in retirement rates, the first \$2,898,500 of funds available to the General Fund are appropriated to restore amounts to Capital Improvement Advisory Committee recommended levels, for the 20 capital improvement projects shown in Attachment I to this report. Should there be insufficient funds to fund all of the 20 specified projects, after consultation with the CIAC, the Controller shall use available funds from retirement contribution savings to adjust capital appropriations to maximize maintenance of the City's infrastructure.

The Controller has recommended minor amendments to the Administrative Provisions of the Annual Salary Ordinance (Section 1.3C, Charges and Deductions for Maintenance). A schedule of the current rates and the Controller's recommended changes in the Fiscal Year 1995-96 charges and deductions for various services, such as charges for meals at San Francisco General Hospital and the cost for meals at the O'Shaughnessy Guest Cottage is included as Attachment 2 to this report.

7. The Director of Human Resources has proposed revisions to the Administrative Provisions of the Annual Salary Ordinance (ASO) for 1995-96.

BOARD OF SUPERVISORS
BUDGET ANALYST

Minor revisions are made in order to (a) allow the Human Resources Director to administratively amend the ASO as authorized by the Board of Supervisors without the need for duplicative administrative processes and formal legislation and (b) delete references to the Salary Standardization Ordinance (SSO) and incorporate references to the ratified Memorandums of Understanding and ordinances which replace the SSO.

Significant revisions to the Administrative Provisions of the Annual Salary Ordinance, as recommended by the Director of Human Resources, are as follows:

Section 1.1B.D. - Allows the Director of Human Resources to adjust compensation of a position pursuant to specified Charter Sections, revisions to State Law, or ordinance.

Section 1.1B.E. - Allows the Director of Human Resources to amend the ordinance to reflect the initial rates of compensation for a newly established classification, except for uniformed officers of the Police and Fire Departments.

8. In past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have, in general, been routinely approved by the Board of Supervisors, with the exception of new positions and new programs, capital improvements and equipment.

9. At the direction of the Budget Committee and the full Board of Supervisors, the Budget Analyst has historically been instructed to analyze the Mayor's recommended budget in detail and make recommendations for reducing the Mayor's recommended budget only if such recommendations do not result in service level reductions. Budget reductions recommended by the Budget Analyst and approved by the Board, have often been used by the Board of Supervisors as a source of funds for requests to the Mayor to (a) restore items deleted in the Mayor's recommended budget and/or (b) include new items in the budget based on the priorities of the Board of Supervisors. Except for capital improvements, the Board of Supervisors cannot unilaterally add any item back to the Mayor's budget. The restoration or addition of expenditures to the Mayor's recommended budget (except for capital improvements) first requires appropriation approval by the Mayor and then subsequent appropriation approval by the Board of Supervisors.

In connection with the annual hearings to be conducted by the Budget Committee beginning next week on the Mayor's Recommended 1995-96 budget, in addition to the recommendations of the Budget Analyst, the Budget Analyst will also be reporting on the service level impacts of the expenditure reductions included in the Mayor's recommended 1995-96 budget. Since such reductions have already been effected in the Mayor's recommended 1995-96 Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance, these reductions have been reflected in the Interim Budget. The Budget Analyst will also be reporting on which recommendations have been implemented by the Mayor as a result of the Budget Analyst's Zero-Base Budget Analysis.

10. The reductions reflected in the Mayor's Recommended 1995-96 budget include savings from layoffs. According to the Mayor's Office, an estimated 50 layoffs of City and County employees are expected as a result of the Mayor's proposed budget. However, due to bumping and re-employment rights of persons occupying these positions, personnel transactions affecting more than 100 employees could be expected if 50 employees are laid off. Departments had submitted 163 layoff notices to the Human Resources Department as of June 9, 1995. However, the Director of Human Resources is unable to determine whether these 163 layoff notices include the layoffs envisioned by the Mayor or whether such layoff notices are related to the 1995-96 proposed budget. As of the writing of this report, the Mayor's Office has not provided us with the details of the anticipated 50 layoffs.

11. Approval of the Mayor's recommended 1995-96 Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance by the Board of Supervisors would implement (a) all expenditure reductions, and (b) fee increases, that are not dependent on legislative approval by the Board of Supervisors, which the Mayor has included in his recommended 1995-96 budget. In accordance with the 1995-96 budget calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are scheduled to be passed for second reading at the June 19, 1995 meeting of the Board of Supervisors. Final passage of these ordinances is scheduled for June 26, 1995.

12. The Budget Analyst has previously been advised by Mr. Burke Delventhal of the City Attorney's Office that the Board of Supervisors is required to approve the Mayor's recommended Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (and therefore the Interim Budget), subject to any additional reductions which the Board may choose to make, by no later than June 30th of each year. Mr. Delventhal has further advised the Budget Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, the Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

Mr. Ed Harrington, the City Controller, has previously advised the Budget Analyst that he concurs with the opinion of Mr. Delventhal. The Controller would cease to issue any further City and County warrants unless the Board of Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30.

13. The proposed Interim Annual Appropriation Ordinance includes \$9,000,000 in new revenue which is anticipated from the creation of the Parks and Recreation Improvement District (P.R.I.D.E), a Benefit Assessment District which is dependent on future legislative approval by the Board of Supervisors. Legislation currently before the Board of Supervisors (Files 213-95-1.1 and 127-95-9) would declare the Board of Supervisors intention to form the P.R.I.D.E., levy an assessment on property owners to produce the revenues which are anticipated from this source, and begin a legally-required 45-day period during which

BOARD OF SUPERVISORS
BUDGET ANALYST

property owners may protest the assessment. If a majority of property owners protest the assessment in writing within the 45 day period (by August 7, 1995), proceedings for the P.R.I.D.E. must be abandoned, and no new revenues would be available from this source during the 1995-96 Fiscal Year. If the proposed Benefit Assessment District and its related revenues are not approved by the Board of Supervisors, then the Fiscal Year 1995-96 budget, as recommended by the Mayor, will be out of balance by \$9.0 million, thereby requiring either a reduction in expenditures or an increase in revenues of \$9.0 million.

One additional revenue source included in the budget has not yet been approved by the Board of Supervisors. On June 7, 1995, the Budget Committee recommended approval of an ordinance that would increase Adult Probation fees by \$325,000. This proposed ordinance is now pending before the full Board of Supervisors.

14. In past years, exceptions to the Interim Appropriation Ordinance and the Annual Salary Ordinance have been requested by Departments and recommended by the Mayor's Office and the Budget Analyst. No such exceptions have been forwarded to the Budget Analyst by the Mayor as of the writing of this report. It has been the general practice of the Budget Committee in recent years to not approve exceptions to the Interim Annual Appropriation Ordinance that have not been recommended by the Mayor's Office, since the Interim Annual Appropriation Ordinance is predicated upon the Mayor's Recommended Budget. The Budget Analyst therefore recommends that no additional Interim Annual Appropriation Ordinance exceptions that might be brought to the Budget Committee by City Departments be considered unless they are recommended by the Mayor's Office.

Recommendation

Approve the proposed Interim Annual Appropriation Ordinance and the proposed Interim Annual Salary Ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

**Restorations to CIAC Recommended Levels, for Twenty Capital
Improvement Projects That Would be the First Use of Any Additional
General Fund Expenditure Savings Should Retirement
Contribution Rates Be Reduced Further**

(per Interim Annual Appropriation Ordinance Administrative Provisions
Section 10.5.1)

<u>Department - Title</u>	<u>Amount</u>
Board of Supervisors - Misc. Repair/Remodel	\$ 1,250
Sheriff - Misc. Facility Maintenance	51,450
Juvenile Court - Misc. Facility Maintenance	105,400
Art Commission - Monuments, Cultural Centers	31,750
Fire - Misc. Facility Maintenance	98,900
Municipal Railway - Track. Misc. Facility Maint.	163,900
Police - Misc. Facility Maintenance	59,250
Recreation & Park - various maintenance projects.	206,000
Social Services - Misc. Facility Maintenance	9,250
Academy of Sciences - Misc. Facility Maint.	23,050
Fine Arts Museums - Misc. Facility Maintenance	24,250
Asian Art Museum - Misc. Facility Maintenance	12,150
CAO - FCM. Disabled Access Programs	348,950
Electricity - Misc. Facility Maintenance	6,000
Animal Control - Misc. Facility Maintenance	3,050
DPH Community Health - various projects	52,300
Laguna Honda - Misc. Facility Maintenance	87,400
Mental Health - various improvement projects	117,200
DPW - various projects	1,493,300
Purchaser - Misc. Facility Improvements	<u>3,700</u>
	\$2,898,500

BOARD OF SUPERVISORS
BUDGET ANALYST

1. MEALS	1994-95	1995-96
A. Hetch Hetchy Boarding House (Except O'Shaughnessy guest cottage)		
Breakfast, per meal	\$ 5.00	\$ 5.00
Lunch, per meal	10.00	10.00
Dinner, per meal	18.00	19.00
B. O'Shaughnessy guest cottage		
Breakfast, per meal	\$ 12.00	\$ 10.00
Lunch, per meal	18.00	18.00
Dinner, per meal	25.00	24.00
Room, cottage	27.00	28.00
Room, bunk house	16.00	16.00
C. Department of Public Health		
Breakfast, per meal		
Laguna Honda Hospital	\$ 4.39	4.40
San Francisco General Hospital	4.24	4.81
Lunch, per meal		
Laguna Honda Hospital	5.47	5.74
San Francisco General Hospital	6.57	7.09
Dinner, per meal		
Laguna Honda Hospital	5.16	Discontinued
San Francisco General Hospital	7.10	7.62
D. Juvenile Court		
All institution, per meal	\$ 5.50	3.89
E. Recreation and Park - Camp Mather per meal	\$ 6.00	8.00
F. Sheriff		
All jails, per meal	\$ 1.20	
County Jails #1, #2, #3, #7		0.84
County Jails #8, #9		1.07
SFGH, Ward 7D, breakfast		3.31
SFGH, Ward 7D, lunch		4.53
SFGH, Ward 7D, dinner		6.11
SFGH, Ward 7D, average		4.71

2. LAUNDRY:

(With the exception of the free laundering of uniforms for interns, residents, nurses, kitchen helpers and other employees.)

per pound	\$.45	\$.92
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3. ROOM:

(With the Exception of free rooms furnished to interns and residents.)

Per bi-weekly pay period	\$166.53	\$173.19
Per person per night	23.79	24.74

HOUSE OR APARTMENT1994-951995-96

Unless otherwise specified, lodging for all facilities except Hetch Hetchy Project, \$50.00 per room per month, or in accordance with the recommendation of the Director of Property on the request of the Department Head.

BOARD - COST PER MEAL (see note)

Hetch Hetchy Boarding House (Except
O'Shaughnessy Guest Cottage)

\$ 11.08

\$ 11.16

O'Shaughnessy Guest Cottage

27.18

26.74

Other Departments and Institutions

Department of Public Health

Laguna Honda Hospital

Breakfast, per meal

\$ 4.39

4.40

Lunch, per meal

5.47

5.74

Dinner, per meal

5.16

Discontinued

Average, per meal

5.16

5.07

San Francisco General Hospital

Breakfast, per meal

\$ 4.24

4.81

Lunch, per meal

6.57

7.09

Dinner, per meal

7.10

7.62

Average, per meal

6.06

6.51

Juvenile Court

Log Cabin Ranch School

Average

\$ 5.50

3.56

Juvenile Hall

Average

\$ 5.50

4.06

Average Cost per meal - Juvenile Court

\$ 5.50

3.89

Recreation and Park

Camp Mather Average

\$ 6.00

8.00

Sheriff

All Jails, Average

\$ 1.20

Discontinued

<u>LAUNDRY:</u>	<u>1994-95</u>	<u>1995-96</u>
San Francisco General Hospital		
Unit cost per pound	\$.45	\$.92
<u>LODGING:</u>		
San Francisco General Hospital		
Room - per person per month	\$366.79	\$381.46

(Note) Sales of meals by employers to employees are subject to state sales tax. Thus, meals sold to employees by the City and County are subject to 8.5% sales tax. The meal cost figures and 1994-95 annual salary ordinance rates stated in the schedules do not include any provisions for 8.5% sales tax payable by the City to the State.

Item 5 - File 170-95-6

Note: The Office of the Chief Administrative Officer (CAO) reports that an Amendment of the Whole will be submitted to the Budget Committee at its meeting of June 14, 1995 which provides for a General Obligation Bond measure in the amount of \$63,590,000, instead of \$78,130,000 as contained in the proposed resolution as it is currently drafted. This report is based on the Amendment of the Whole.

Department: Chief Administrative Officer (CAO)

Item: Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of San Francisco of the following municipal improvements, to wit: the acquisition, construction and/or reconstruction of certain improvements to City Hall, including life safety improvements, disabled access improvements, electrical power and system improvements, building system and communication improvements, historic preservation improvements, functional space conversion improvements, child care improvements and waterproofing improvements, and the related acquisition, construction and reconstruction necessary for the foregoing purposes; that the estimated cost of \$63,590,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness.

Amount: \$63,590,000

Description: City Hall closed in February, 1995 and is scheduled to remain closed until February, 1998 for seismic strengthening. The Department of Public Works (DPW) has proposed to undertake additional bond-funded non-seismic capital improvements to City Hall, which would be undertaken concurrently with the seismic improvement projects currently being performed. The proposed \$63,590,000 General Obligation bond measure would be used to finance the non-seismic capital improvement projects at City Hall which have been proposed by DPW. DPW reports that cost savings could be realized by integrating the proposed non-seismic capital improvements with the seismic strengthening construction projects currently being performed.

A similar but smaller bond measure of approximately \$38.5 million was submitted to the electorate on the November, 1994 ballot. However, this bond measure received only 64 percent approval, or less than the two-thirds approval

needed. According to the Office of the Chief Administrative Officer (CAO), the scope of work envisioned in the proposed bond measure of \$63,590,000 is far greater than the November, 1994 measure because DPW learned more about the needs of City Hall departments during the process of moving out of City Hall and has attempted to apply that knowledge to the proposed bond measure.

DPW reports that the intent of this bond proposal is to provide for a safe, accessible and technologically equipped work place in City Hall. DPW reports that, for the last 80 years, construction improvements at City Hall have occurred sporadically in a non-systematic manner and without a comprehensive approach to long-term planning. DPW reports that City Hall's current systems and design are inconsistent with current life safety and accessibility standards, including standards related to fire protection and emergency evacuation warning systems.

The specific non-seismic capital improvement projects which have been proposed by DPW and which would be financed by the proposed \$63.6 million General Obligation Bonds are presented below. The proposed improvements have been prioritized by DPW into three levels according to the degree of urgency. According to DPW, Priority One is work that must be accomplished prior to moving back into City Hall. DPW advises that Priority Two consists of work that is highly desirable, is typically required to maintain the integrity of the structure and contents and will be significantly more economical to accomplish concurrently with the seismic work now underway. DPW reports that Priority Three work consists of highly desirable elements that could be postponed without incurring significantly higher future costs. The proposed resolution pertains to all of the costs included in Priorities One, Two and Three.

<u>Component</u>	<u>Priority One</u>	<u>Priority Two</u>	<u>Priority Three</u>	<u>Total</u>
<u>Construction Costs</u>				
<u>Waterproofing</u>				
Replace skylights and perform roof repairs		\$966,880		\$966,880
Dome restoration		1,085,000		1,085,000
Refurbish or replace windows	\$348,000			<u>348,000</u>
Subtotal - Waterproofing				\$2,399,880

<u>Component</u>	<u>Priority One</u>	<u>Priority Two</u>	<u>Priority Three</u>	<u>Total</u>
Ornamental Metal				
Clean, repair, prime and paint 50 percent of ornamental metal railings constituting safety hazards	\$115,200			\$115,200
Clean, repair, prime and paint ornamental lamps and sconces		\$117,500		117,500
Subtotal - Ornamental Metal				\$232,700
Plumbing Systems				
Replace attic plumbing lines		130,000		\$130,000
Replace lead waste connections		231,650		231,650
Replace rotunda draining pipe		365,120		365,120
Install water efficient fixtures		52,000		52,000
Replace plumbing supply risers		200,000		200,000
Subtotal - Plumbing Systems				\$978,770
Heating Systems				
Refurbish steam system and radiators		382,800		382,800
Vertical Transportation				
Replace motor and controls for 6 existing passenger elevators		780,000		\$780,000
Replace motor and controls for 3 existing freight elevators		390,000		390,000
Subtotal - Vertical Transportation				\$1,170,000
Fire Protection Systems				
Install automatic fire sprinkler system	2,717,370			2,717,370
Install fire alarm system	591,700			591,700
Install emergency generator		456,700		456,700
Subtotal - Fire Protection System				\$3,765,770
Heating, Ventilation & Air Conditioning (HVAC)				
Install new air-handling units on second floor and replace air handling units on third and fourth floors with new energy-conserving units	2,219,000			2,219,000
New Power Distribution				
Upgrade electrical service and provide an electrical distribution system	2,745,000			2,745,000
Lighting				
Replace office lighting fixtures with energy-efficient fluorescent fixtures		344,080		344,080
Telecommunications				
Recable building to provide modern voice/data communications network	2,379,900			2,379,900

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June 14, 1995

<u>Component</u>	<u>Priority One</u>	<u>Priority Two</u>	<u>Priority Three</u>	<u>Total</u>
Building Security				
Provide security office, video cameras, card access and video monitor		\$150,000		\$150,000
Accessibility				
Remove barriers in public access areas	\$1,423,100			\$1,423,100
Remove barriers in departmental areas		1,409,200		1,409,200
Remodel restrooms in public access areas	90,000			90,000
Install building and floor directories and room signage	109,000			109,000
Install talking signs for sight-impaired persons			\$260,000	260,000
Lower thermostats and retrofit radiators with levers to provide accessibility to wheelchair users	169,400			169,400
Relocate light switches, receptacle outlets, telephone and data outlets to provide accessibility to wheelchair users	500,000			<u>500,000</u>
Subtotal - Accessibility				\$3,960,700
Interior Painting & Lead Abatement				
Paint and refinish third and fourth floors	660,800			\$660,800
Paint and refinish first and second floors		510,250		<u>510,250</u>
Subtotal - Interior Painting/Lead Abatement				\$1,171,050
Adaptive Re-Use				
Convert space previously used by Court system on third and fourth floors for use as general office space	3,034,700			\$3,034,700
Adapt basement, main floor, mezzanine and second floor for use as office space	1,228,400	2,310,600		<u>3,539,000</u>
Subtotal - Adaptive Re-Use				\$6,573,700
Child Care Facility				
Construct child care facility in basement with capacity for 30 children			216,288	216,288
Historic Preservation				
Clean stone exterior of building		319,725		\$319,725
Clean stone interior of building		654,000		654,000
Clean dome		248,500		248,500
Replace exterior court skylights with conventional skylight system and install interior wood and glass ceiling lights		799,200		<u>799,200</u>
Subtotal - Historic Preservation				\$2,021,425
Total - Construction Costs	\$18,331,570	\$11,903,205	\$476,288	<u>\$30,711,063</u>

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June 14, 1995

Construction Costs Including Priorities One, Two and Three	\$30,711,063
Contractor's Overhead and Fees (16%)	<u>4,913,770</u>
Subtotal	\$35,624,833
Design and Scope Contingency (10%)	<u>3,562,483</u>
Subtotal	\$39,187,316
Price Escalation (7%)	<u>2,743,112</u>
Subtotal	\$41,930,428
Construction Contingency (10%)	<u>4,193,043</u>
Total Hard Costs	\$46,123,471
<u>Soft Costs</u>	
Client Department Services (0.5%)	\$230,617
DPW Project Management (2.5%)	1,153,087
Permits, Approvals, Testing & Inspection (4.0%)	1,844,707
Programming Services (2.0%)	922,469
Design and Bid Services (11.0%)	5,073,582
Construction Services (6.0%)	2,767,408
Post Construction Services (2.0%)	922,469
Contract Administration (2.0%)	<u>922,469</u>
Subtotal - Soft Costs	<u>13,836,808</u>
Total Hard and Soft Costs	\$59,960,279
Bond Issuance Costs (approximately 1% of hard and soft costs)	629,603
<u>Lease Extension</u>	
DPW advises that, due to the loss of time between the prior ballot measure in November of 1994 and the proposed ballot measure in November of 1995, and because of the increase in the scope of work in the proposed 1995 bond measure, it may not be possible to complete all of the proposed work within the seismic project schedule. The proposed \$3 million would be used to extend the existing leases at the current temporary facilities for a period of one year. Attachment I, provided by Mr. Steve Legnitto of the Real Estate Department, explains the detailed basis of the \$3,000,000, including specifically which departments and leases are involved and how much is being allocated for each lease.	
	<u>3,000,000</u>
TOTAL PROJECT COSTS	\$63,589,882
TOTAL BOND MEASURE (rounded up to nearest \$5,000 by CAO)	<u>\$63,590,000</u>

Comments:

1. The Capital Improvements Advisory Committee (CIAC), which is chaired by the Chief Administrative Officer (CAO), is responsible for prioritizing the City's proposed capital improvement projects on a City-wide basis. The CAO advises that, while this proposal would generally not have a high priority for the CIAC, it has been given a higher priority than would otherwise be the case because most of the work can

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only be performed while City Hall is closed and also because there are likely to be some rent savings if rent-paying departments can be moved into the vacated third and fourth floor space in City Hall (as reflected in the budget above, under the proposed bond issue, the third and fourth floors would be converted from Court space to general office space).

2. DPW originally requested that a bond issue of \$95,975,000 be placed before the voters in November, 1995. This amount was reduced to \$78,130,000, as contained in the proposed resolution as currently drafted. However, the CIAC is recommending a bond issue of only \$63,590,000, as reflected in this report, or a reduction of \$32,385,118. Attachment II summarizes the original bond program of \$95,975,000, as prepared by DPW, and the recommendations of the CIAC.

3. The Controller's Office estimates that the sale of the proposed General Obligation bonds in the amount of \$63,590,000 (as recommended by the CIAC) would result in an increase in the property tax rate for 1996-97 of approximately \$0.0117 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay \$34.28 in additional property taxes in 1996-97.

4. The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the City Attorney will prepare an ordinance to submit the proposed bond issue to the voters.

5. According to the CIAC, the City is reaching its prudent debt limit, which is 2.4 percent of net assessed property value in the City. The CIAC estimates that approximately \$600 million in debt capacity will be available to the City under this limit over the next ten years, assuming a three percent annual growth rate in net assessed property value. If all of the bond issues recommended by the CIAC for the November 1995 ballot (see Attachment III for a list of all of the proposed bond issues) are approved at the amounts recommended by the CIAC, the City would issue \$133 million in General Obligation bonds, using approximately 22 percent of the City's remaining estimated bonding capacity to the year 2005.

6. The expenditure of any of the proposed General Obligation Bond funds would require a supplemental appropriation to be approved by the Board of Supervisors if the electorate approves the proposed General Obligation Bonds.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Sheet1

CITY HALL RELOCATION - ESTIMATED COST TO EXTEND LEASES

Rev. SL-6/6/95	Area SF.	Annual Rate	6 MONTHS	1 YEAR
633 FOLSOM STREET (1)				
Registrar	15,468	\$ 15.00	\$ 116,010	\$ 232,020
Purchaser	6,705	\$ 15.00	\$ 50,288	\$ 100,575
Sheriff(Admin.)	6,336	\$ 15.00	\$ 47,520	\$ 95,040
875 STEVENSON STREET (2)				
All Dept.	121,570	\$ 14.88	\$ 904,481	\$ 1,808,962
401 VAN NESS AVENUE (3)				
All Dept.	59,961	\$ 7.00	\$ 209,864	\$ 419,727
1390 MARKET STREET (4)				
City Attorney (Portion)	15,820	\$ 15.50	\$ 122,605	\$ 245,210
44 GOUGH STREET (5)				
Human Resources	7,955	\$ 12.00	\$ 47,730	\$ 95,460
			\$ 1,498,497	\$ 2,996,994

- Notes:
- 1) Two six month options for full floors at the same rent, 90 and 60 day notice required.
 - 2) Two six month options for full floors at the same rent, 60 day notice required.
 - 3) Two six month options at actual operating expense.
 - 4) Two six month options at same rent plus increase in operating cost.
 - 5) Two two year options at 95% of the then fair market value.
 - 6) Courts area of 141,747 not included. If included, monthly additional cost is \$1,063,102, or \$2,126,205.
 - 7) The above estimate does not include operation costs included in the General Fund Budget.

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City Hall Non-Seismic Bond

Item #	Project Component	DPW Prop Bond	CIAC Recommend	Difference
PRIORITY 1				
1-3	Refurbish Windows	348,000	348,000	0
6-1	Fire Sprinklers	2,717,370	2,717,370	0
6-2	Fire Alarm	591,700	591,700	0
7-1	HVAC	2,219,000	2,219,000	0
8-1	Power Distribution	2,745,000	2,745,000	0
12-1	Public Barriers	1,423,100	1,423,100	0
12-4	Public Toilets	90,000	90,000	0
12-6	Signage	109,000	109,000	0
12-8	Mechanical-ADA	169,400	169,400	0
12-9	Electrical-ADA	1,087,310	500,000	-587,310
14-4	Re-Use 3rd & 4th Floors	3,034,700	3,034,700	0
15-1	Relocate Existing Workstations	1,035,975	0	-1,035,975
15-2	All New Workstations	488,525	0	-488,525
	SUBTOTAL PRIORITY 1	16,059,080	13,947,270	-2,111,810
COMBINED PRIORITY 1 AND 2				
4-1	Ornamental Metal	232,700	232,700	0
10-1	Voice/Data	3,879,900	2,379,900	-1,500,000
13-1	Lead Abatement-Walls	635,050	635,050	0
13-2	Lead Abatement-Trim	536,000	536,000	0
14-1	Re-Use Basement	497,000	497,000	0
14-2	Re-Use Main & Mezzanine	1,872,000	1,872,000	0
14-3	Re-Use 2nd Floor	1,170,000	1,170,000	0
	SUBTOTAL PRIORITY 1/2	8,822,650	7,322,650	-1,500,000
PRIORITY 2				
1-1	Roofs & Skylights	966,880	966,880	0
1-2	Dome Restoration	1,085,000	1,085,000	0
2-1	Attic Piping	130,000	130,000	0
2-2	Lead Waste	231,650	231,650	0
2-3	Rotunda Drain Pipe	365,120	365,120	0
2-4	Water Efficient Fixtures	52,000	52,000	0
2-5	Risers	200,000	200,000	0
3-1	Heating	382,800	382,800	0
5-1	Passenger Elevators	780,000	780,000	0
5-2	Freight Elevators	390,000	390,000	0
6-3	Emergency Generator	1,036,655	456,700	-579,955
9-1	Lighting Fixtures	677,314	344,080	-333,234
10-2	Cable TV	500,000	0	-500,000
11-1	Security	150,000	150,000	0
12-2	Department Barriers	1,409,200	1,409,200	0
12-3	Polk St Ramps	650,000	0	-650,000
12-5	Departmental Toilets	320,000	0	-320,000
17-1	Exterior Stone	319,725	319,725	0
17-2	Interior Stone	1,118,500	654,000	-464,500
17-3	Dome Cleaning	248,500	248,500	0
18-1	Light Court Skylights	799,200	799,200	0
18-2	4th Floor Lights	856,305	0	-856,305
	SUBTOTAL PRIORITY 2	12,668,849	8,964,855	-3,703,994
PRIORITY 3				
9-2	Crawlspace Lighting	65,000	0	-65,000
9-3	Energy Conservation	75,000	0	-75,000
12-7	Talking Signs	260,000	260,000	0
16-1	Childcare Facility	216,288	216,288	0
18-3	Elevator Cabs	45,000	0	-45,000
18-4	Restore Clock System	112,500	0	-112,500
	SUBTOTAL PRIORITY 3	773,788	476,288	-297,500
	CONSTRUCTION TOTALS	38,324,367	30,711,063	-7,613,304
	Contingency/Soft Costs	54,050,633	29,249,216	-24,801,417
19-1	Lease Extension	3,600,000	3,000,000	-600,000
	Issuance Costs	0	629,603	629,603
	TOTAL PROJECT COSTS	95,975,000	63,589,882	-32,385,118

List of Proposed Bond Measures

	<u>Proposed</u>	<u>CIAC Recommended</u>
1. City Hall Non-Seismic Improvements (File 170-95-6)	\$63,590,000	\$63,590,000
2. Underground Storage Tanks (File 170-95-7)	51,000,000	40,200,000
3. Steinhart Aquarium (File 170-95-8)	<u>28,670,829</u>	<u>29,245,000</u>
TOTAL	\$143,260,829	\$133,035,000

Item 6 - File 170-95-7

Item: Resolution determining and declaring that the public interest and necessity demand the acquisition, construction, and/or reconstruction of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to underground storage tanks owned by the City and County, which improvements shall include repair, removal and/or replacement of the underground storage tanks, and testing and remediation of past and present storage tank sites, and regulated acquisition, construction and reconstruction for the foregoing purposes, that the estimated cost of \$51,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and county and will require the incurring of a bonded indebtedness.

Amount: \$51,000,000

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the City Attorney will prepare an ordinance to submit the proposed bond issue to the voters.

Mr. Steve Nelson of the CAO's Office states that, in order for the proposed General Obligation Bond measure to qualify for the November ballot, the subject proposed resolution (File 170-95-7) must be approved by the Budget Committee no later than June 14, 1995.

State law requires that all underground fuel storage tanks (USTs) have some form of secondary containment (usually a double wall) to protect against ground contamination from leaking fuel by December 1998, and that ground contamination caused by leakage from existing single-walled underground fuel storage tanks be cleaned up by the same date. The City owns approximately 122 old single-walled tanks, ranging in size from 100 gallon waste oil tanks to 20,000 gallon diesel storage tanks. If the City fails to comply with the State law requiring action on these tanks, the State could fine the City between \$500 and \$5,000 per tank per day. The program funded by the proposed bond

measure would bring the City into compliance with the State law through the removal of all of the City's 122 single-walled underground storage tanks, and the cleanup of ground contamination caused by leaking tanks at 45 sites.

The underground storage tanks are generally used for fuel storage for the City's vehicle fleet, and for emergency generators in hospitals and other emergency uses. The tanks are located at facilities throughout the City, with the majority at Fire Stations, MUNI facilities, and hospitals.

The cost to remove, replace and cleanup contamination caused by an underground storage tank ranges from \$62,798 to \$565,000 per tank. A list of the tanks to be removed and replaced, and the sites to be cleaned up, together with a preliminary estimate of the approximate cost at each site, is included as Attachment 1, provided by the Department of Public Works.

According to Mr. Nelson, who staffs the Capital Improvements Advisory Committee (CIAC), the CIAC has recommended that a bond issue of only \$40,200,000, rather than \$51,000,000, be placed before the voters, based on a recommended reduction of \$11,200,000 in the originally proposed bond program, and a recommended addition of \$400,000 in bond issuance costs, which were previously omitted from the bond program, for a net reduction in the recommended bond issue of \$10,800,000.

The CIAC recommends the bond program as proposed, except for the proposal to cleanup underground storage tank sites at the St. Mary's Square Garage and at the SFGH Hospital Garage. According to Mr. Nelson, the CIAC believes that, rather than using the proposed General Obligation Bond funds, funds from the Parking Meter Revenue Bonds issued in December of 1994 to fund the construction of the SFGH Garage should fund such UST work at the SFGH Garage site, and that the Department of Parking and Traffic's Parking Revenue Fund should fund such UST work at the St. Mary's Garage site.

According to Mr. Kevin Hagerty of the Department of Parking and Traffic, it is possible to fund the SFGH Garage tank site cleanup, at a cost of approximately \$5.2 million, with the Parking Meter Revenue Bond Funds. However, Mr. Hagerty reports that the St. Mary's garage cleanup, at a cost of approximately \$3 million, cannot be funded using the Parking Revenue Fund because all revenues in that Fund have already been allocated. The Department of

Parking and Traffic believes that the St. Mary's Garage project should be included in the proposed bond issue. Mr. Hagerty notes that 58 percent of the net income from the St. Mary's Garage accrues to the Recreation and Park Department, and accordingly, the Recreation and Park Department would be responsible for 58 percent of the costs associated with the operation of the Garage, including this cleanup cost. Mr. Phil Arnold of the Recreation and Park Department reports that the Department does not have revenues to fund the cost of the St. Mary's Garage cleanup, and the Recreation and Park Department believes this project should be included in the proposed General Obligation Bond issue.

The itemized costs of the bond program as recommended by the CIAC are as follows:

Remediation (ground contamination cleanup)	\$22,555,000
Tank removal	624,500
Tank replacement	4,845,000
Public Health reports and oversight costs	786,000
Laboratory fees	176,750
Permit fees	221,600
Design cost	<u>1,255,001</u>
Sub-total- Program, permit, and design costs	30,463,851
Inflation (3% per year for 3 years)	3,046,385
City salaries (See Attachment 2, provided by DPW)	<u>1,039,500</u>
Sub-total- Bond program costs	\$34,549,736
Contingency (15% of Bond program costs)	5,182,460
Bond issuance costs	<u>400,000</u>
Total	\$40,132,196
Rounded to:	\$40,200,000

Comments:

1. The Capital Improvements Advisory Committee (CIAC), which is chaired by the Chief Administrative Officer (CAO), is responsible for prioritizing the City's proposed capital improvement projects, and has recommended this bond issue as one of the City's highest priorities for the use of General Obligation Bonds.

2. As noted above, the CIAC has recommended that a bond issue of only \$40,200,000, rather than \$51,000,000, be placed

before the voters, based on a recommended reduction of \$11,200,000 in the proposed bond program which was submitted by the DPW, and a recommended addition of \$400,000 in bond issuance costs, for a net reduction in the recommended bond issue of \$10,800,000. If the Board of Supervisors adopts the recommendation of the CIAC, the proposed legislation must be amended to reflect the lower amount of the bond program.

3. The CAO's Office estimates that the sale of the proposed General Obligation bonds in the amount of \$51,000,000 would result in an increase in the property tax rate for 1996-97 of approximately \$0.0094 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay \$27.54 in additional property taxes beginning in 1996-97 due to the issuance of these bonds.

4. If \$40,200,000 in bonds were to be issued, as recommended by the CIAC, instead of \$51,000,000, the bonds would result in an increase in the property tax rate for 1996-97 of approximately \$0.0074 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay \$21.68 in additional property taxes beginning in 1996-97 due to the issuance of these bonds.

5. According to the CIAC, if these bonds are not approved, the City will need to propose a future bond issue for this purpose, or identify another source of funding. As noted above, if the City fails to comply with the State law regarding underground storage tanks, it could incur fines estimated at between \$500 and \$5,000 per tank per day, totaling, on an annual basis, between \$22 million (365 days x 122 USTs x \$500) and \$222 million (365 X 122 USTs x \$5,000).

6. According to the CIAC, the City is reaching its prudent debt limit, which is 2.4 percent of net assessed property value in the City. The CIAC estimates that approximately \$600 million in debt capacity will be available to the City under this limit over the next ten years, assuming a 3 percent annual growth rate in net assessed property value. If all of the bond issues recommended by the CIAC for the November 1995 ballot (See Attachment 3 for a list of all the proposed bond issues) are approved at the amounts recommended by the CIAC, the City would issue \$133 million in General Obligation bonds, using approximately 22 percent of the City's remaining estimated bonding capacity to the year 2005.

7. The expenditure of any of the proposed General Obligation Bond funds would require a supplemental appropriation to be approved by the Board of Supervisors if the electorate approves the proposed General Obligation bonds.

8. As noted in the Description above, the original bond program proposal included cleanup costs for the SFGH Hospital Garage site and at the St. Mary's Garage site. The Capital Improvements Advisory Committee (CIAC) has recommended that these two sites be removed from the proposed General Obligation Bond Issue because other sources of revenue may be available to fund cleanup at these sites. However, the Department of Parking and Traffic and the Recreation and Park Department disagree with the CIAC with respect to the St. Mary's Garage site and these two Departments recommend that the St. Mary's Garage site be included in the proposed General Obligation Bond Issue. If the St. Mary's Garage cleanup, at a cost of approximately \$3 million, were included in the bond program, the amount of the bond issue would be increased from \$40,200,000 to a total of \$43,200,000.

Recommendations: Approval of the proposed resolution, and of the amount of the proposed bond issue, are policy matters for the Board of Supervisors.

Department	Location	Known Leak	Tank Contents	Capacity Gallons	Date Installed	Tank Material	Remediate Cost	Removal Cost	Replace Cost	Report & Oversight	Lab Fee	Permit Cost	Design Cost	Total Cost
1 Juvenile Court	Log Cabin Ranch		Unleaded	500	1956	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
2 Juvenile Court	Log Cabin Ranch		Diesel	500	1956	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
3 Juvenile Court	Hidden Valley Ranch		Unleaded	550	1962	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
4 Cal Acad of Sci	Golden Gate Park		Diesel	12,000	1976	F	35,000	8,500	87,500	9,000	2,000	3,000	14,300	153,300
5 Candlestick Park	Harney Way		Unleaded	550	1974	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
6 DeYoung Museum	Golden Gate Park		Fuel Oil	6,000	1800	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
7 Palace of Legion Oflegion of Honor Drive			Fuel Oil	6,000	1800	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
8 Center Fire Alarm	1003 Turk		Diesel	2,000	1976	F	35,000	5,000	31,250	6,000	1,500	1,600	5,896	86,246
9 Sheriff Department	1003 Turk		Diesel	550	1976	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
10 Sheriff Department	1 Moorceland Drive		Unleaded	1,000	1960	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
11 Sheriff Department	1 Moorceland Drive		Diesel	5,000	1975	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
12 DPH-Gen Hosp	1001 Potrero		Diesel	10,429	1972	S	135,000	8,500	87,500	9,000	2,000	3,000	14,300	259,300
13 DPH-Gen Hosp	1001 Potrero		Diesel	10,429	1972	S	135,000	8,500	87,500	9,000	2,000	3,000	14,300	259,300
14 DPH-Gen Hosp	1001 Potrero		Diesel	10,429	1972	S	135,000	8,500	87,500	9,000	2,000	3,000	14,300	259,300
15 DPH-Gen Hosp	1001 Potrero		Diesel	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
16 DPH-Lag Hon Hosp	375 Laguna Honda		Diesel	10,000	1956	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
17 DPH-Lag Hon Hosp	375 Laguna Honda		Diesel	10,000	1956	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
18 Purchasing	2323 Army Shop		Unleaded	12,000	1800	S	135,000	8,500	87,500	9,000	2,000	3,000	14,300	259,300
19 Purchasing	2323 Army Shop		Unleaded	5,000	1800	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
20 Purchasing	2323 Army Shop		Diesel	12,000	1800	S	135,000	8,500	87,500	9,000	2,000	3,000	14,300	259,300
21 Purchasing	2323 Army Shop		Unleaded	5,000	1800	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
22 Purchasing	2323 Army Shop		Unleaded	5,000	1800	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
23 Purchasing	2323 Army Shop		Propane	3,400	1983	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
24 Purchasing	1800 Jerrold	YES	Unleaded	6,000	1980	S	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
25 Purchasing	1800 Jerrold	YES	Unleaded	6,000	1980	S	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
26 Purchasing	1800 Jerrold	YES	Unleaded	6,000	1980	S	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
27 Purchasing	950 Bryant		Unleaded	20,000	1800	S	135,000	10,000	100,000	11,000	2,500	3,600	16,523	278,623
28 Purchasing	950 Bryant		Unleaded	12,000	1800	S	135,000	8,500	87,500	9,000	2,000	3,000	14,300	259,300
29 Purchasing	950 Bryant		Waste Oil	300	1950	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
30 SPD Central Sta	766 Vallejo		Unleaded	7,500	1974	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
31 BSSR/Asphalt	1801 Jerrold St.		Emulsion	140,000	1954	S	135,000	10,000	100,000	11,000	2,500	3,600	16,523	278,623
32 BSSR/Asphalt	1801 Jerrold St.		Asphalt	140,000	1954	S	135,000	10,000	100,000	11,000	2,500	3,600	16,523	278,623
33 BSSR/Asphalt	1801 Jerrold St.		Asphalt	70,000	1954	S	135,000	10,000	100,000	11,000	2,500	3,600	16,523	278,623
34 BSSR/Asphalt	1801 Jerrold St.		Fuel Oil	140,000	1954	S	135,000	10,000	100,000	11,000	2,500	3,600	16,523	278,623
35 BBR	302 Latkin Street		Diesel	10,000	1800	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287

Cost Estimate and Tank Inventory for Underground Storage Tank Bond

Appendix A

Department	Location	Known Leak	Tank Contents	Capacity Gallons	Date Installed	Tank Material	Remediate Cost	Removal Cost	Replace Cost	Report & Oversight	Lab Fee	Permit Cost	Design Cost	Total Cost
BBR	302 Larkin Street		Diesel	10,000	1800	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
BBR	302 Larkin Street		Diesel	3,000	1800	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
BBR	302 Larkin Street		Diesel	500	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
BBR	850 Bryant Street		Diesel	10,000	1951	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
BBR	850 Bryant Street		Diesel	4,000	1951	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
BBR	850 Bryant Street		Diesel	10,000	1951	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
BBR	400 Van Ness		Drained	1,000	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Headquarters	260 Golden Gate		Unleaded	1,000	1967	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Headquarters	260 Golden Gate		Unleaded	1,000	1970	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Chief Resident	870 Bush Street			1,000	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 1	416 Jessie		Diesel	550	1969	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 3	1067 Post	YES	Unleaded	500	1974	S	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
SPFD Station 3	1067 Post	YES	Diesel	500	1974	S	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
SPFD Station 3	1067 Post	YES	Waste Oil	100	1974	S	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
SPFD Station 7	2300 Folsom Street		Unleaded	1,000	1955	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 8	36 Bluxome Street			280	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 8	36 Bluxome Street			280	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 9	2245 Jerrild St			550	1973	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 11	3880 26 th Ave		Diesel	1,000	1980	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 13	530 Sansome St.	YES		1,000	1800	F	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
SPFD Station 14	551 26th		Diesel	1,000	1971	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 20	285 Olympia		Unleaded	1,000	1962	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 22	1290 16th Ave		Diesel	1,000	1962	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 24	100 Hoffman		Diesel	1,000	1982	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 25	3305 3rd Street		Diesel	1,000	1963	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 26	80 Digby		Diesel	1,000	1966	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 31	441 12th		Diesel	1,000	1972	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 32	194 Park		Diesel	560	1942	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 33	8 Capitol Avenue		Diesel	1,000	1942	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 33	8 Capitol Avenue		Diesel	1,000	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 34	499 41st		Diesel	1,000	1983	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
SPFD Station 36	109 Oak St	YES	TANK REMOVED				250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
SPFD Station 37	798 Wisconsin		Diesel	1,000	1963	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 40	2155 18th Ave		Diesel	1,000	1970	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 42	2430 San Bruno		Diesel	550	1977	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
SPFD Station 43	720 Moscow		Diesel	1,000	1969	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798

Department	Location	Known Leak	Tank Contents	Capacity Gallons	Date Installed	Tank Material	Remediate Cost	Removal Cost	Replace Cost	Report & Oversight	Lab Fee	Permit Cost	Design Cost	Total Cost
72 SFSD Station 44	1298 Girard		Diesel	560	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
73 SFSD Bureau Equip	2501 25th		Diesel	550	1983	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
74 SFSD Central Alarm			Diesel	2,000	1800	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	186,246
75 SFSD Pump Sta#11	698 2nd Street		Diesel	7,500	1974	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
76 SFSD Pump Sta#11	698 2nd Street		Diesel	7,500	1974	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
77 SFSD Pump Sta#12	Foot of Van Ness		Diesel	7,500	1974	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
78 SFSD Pump Sta#12	Foot of Van Ness		Diesel	7,500	1974	S	135,000	7,500	52,500	7,000	1,750	2,300	9,237	215,287
79 Pier 41	Seawall Loc 303	YES		REMOVED		S	500,000	REMOVED	REMOVED	REMOVED	REMOVED	REMOVED	65,000	565,000
80 Pier 70	Seawall Loc 303	YES		REMOVED		S	500,000	REMOVED	REMOVED	REMOVED	REMOVED	REMOVED	65,000	565,000
81 Ft of Amador Street	Seawall Loc 344	YES		REMOVED		S	500,000	REMOVED	REMOVED	REMOVED	REMOVED	REMOVED	65,000	565,000
82 Pier 80		YES		REMOVED		S	500,000	REMOVED	REMOVED	REMOVED	REMOVED	REMOVED	65,000	565,000
83 Ferry Building	1 Ferry Building	YES		REMOVED		S	500,000	REMOVED	REMOVED	REMOVED	REMOVED	REMOVED	65,000	565,000
84 313 Illinois		YES		REMOVED		S	500,000	REMOVED	REMOVED	REMOVED	REMOVED	REMOVED	65,000	565,000
85 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
86 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
87 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
88 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
89 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
90 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
91 MONI/Woods	1095 Indiana St.	YES	Diesel	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
92 MONI/Woods	1095 Indiana St.	YES	Unleaded	12,000	1976	F	250,000	8,500	87,500	9,000	2,000	3,000	14,300	374,300
93 MONI/Woods	1095 Indiana St.	YES	Waste Oil	10,000	1976	F	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
94 MONI/Woods	1095 Indiana St.	YES	Motor Oil	10,000	1976	F	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
95 MONI/Woods	1095 Indiana St.	YES	Empty	2,000	1976	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
96 MONI/Woods	1095 Indiana St.	YES	APP	2,000	1976	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
97 MONI/Woods	1095 Indiana St.	YES	Waste Co	2,000	1976	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
98 MONI/Woods	1095 Indiana St.	YES	Hydraulic	1,000	1976	F	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
99 MONI/Woods	1095 Indiana St.	YES	Hydraulic	1,000	1976	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
100 MONI/Kirkland	151 Beach Street	YES	Diesel	20,000	1982	F	250,000	10,000	100,000	11,000	2,500	3,600	16,523	339,623
101 MONI/Kirkland	151 Beach Street	YES	Diesel	20,000	1982	F	250,000	10,000	100,000	11,000	2,500	3,600	16,523	339,623
102 MONI/Kirkland	151 Beach Street	YES	Lube Oil	4,000	1982	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
103 MONI/Kirkland	151 Beach Street	YES	Trans Fl	4,000	1982	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
104 MONI/Kirkland	151 Beach Street	YES	Waste Oil	2,000	1982	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
105 MONI/Kirkland	151 Beach Street	YES	Waste Oil	550	1800	F	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
106 MONI/Kirkland	151 Beach Street	YES	Waste Oil	550	1800	F	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
107 MONI/Kirkland	151 Beach Street	YES	REMOVED	6,000	1800	F	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287

Cost Estimate and Tank Inventory for Underground Storage Tank Bond

Appendix A

Department	Location	Known Leak	Tank Contents	Capacity Gallons	Date Installed	Tank Material	Remediate Cost	Removal Cost	Replace Cost	Report & Oversight	Lab Fee	Permit Cost	Design Cost	Total Cost
108 MUNI/KiRxLand	151 Beach Street	YES	REMOVED	6,000	1800	F	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
109 MUNI/KiRxLand	151 Beach Street	YES	REMOVED	6,000	1800	F	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
110 MUNI/KiRxLand	151 Beach Street	YES	REMOVED	3,000	1800	F	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
111 MUNI/Army	3000 3rd Street		REMOVED	12,000	1983	F	35,000	8,500	87,500	9,000	2,000	3,000	14,300	159,300
112 MUNI/Army	3000 3rd Street		REMOVED	12,000	1983	F	35,000	8,500	87,500	9,000	2,000	3,000	14,300	159,300
113 MUNI/Army	3000 3rd Street		Motor Oil	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
114 MUNI/Army	3000 3rd Street		Motor Oil	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
115 MUNI/Army	3000 3rd Street		Motor Oil	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
116 MUNI/Army	3000 3rd Street		Trans. F	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
117 MUNI/Army	3000 3rd Street		Trans. F	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
118 MUNI/Army	3000 3rd Street		Waste Oil	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
119 MUNI/Army	3000 3rd Street		Trans. F	550	1983	F	35,000	2,500	15,000	5,000	1,000	1,100	3,198	62,798
120 MUNI/Army	3000 3rd Street		Spill Oil	550	1983	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
121 MUNI/Ocean	220 San Jose Ave	YES	Gasoline	6,000	1800	S	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
122 MUNI/Ocean	220 San Jose Ave	YES	Gasoline	4,000	1800	S	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
123 MUNI/Ocean	220 San Jose Ave	YES	Gasoline	4,000	1800	S	250,000	5,000	31,250	6,000	1,500	1,600	5,896	301,246
124 MUNI/Ocean	220 San Jose Ave	YES	Gasoline	6,000	1800	S	250,000	7,500	52,500	7,000	1,750	2,300	9,237	330,287
125 MUNI/Ocean	220 San Jose Ave	YES	Gasoline	550	1800	S	250,000	2,500	15,000	5,000	1,000	1,100	3,198	277,798
126 PUC/MUNI/Presidio	949 Presidio			1,500	1800	S	135,000	5,000	31,250	6,000	1,500	1,600	5,896	166,246
127 PUC/MUNI/Sotero	2500 Matiposa Street			100	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798
128 PUC/MUNI/Univ Mound	949 Presidio			160	1800	S	135,000	2,500	15,000	5,000	1,000	1,100	3,198	162,798

\$22,555,000 \$624,500 \$4,645,000 \$786,000 \$176,750 \$221,000 \$1,255,001 \$30,461,651



City and County of San Francisco

Department of Public Works

Bureau of Construction Management
Site Assessment and Remediation Division

1680 Mission Street, First Floor
San Francisco, CA 94103

Underground Storage Tank Program Bond City Salary Estimate

Project Planning

\$81,974

Title	Hourly Rate	Hours (3 Yrs)	% of week spent	Total
Project Manager	\$84.61	400	6	\$33,844
Regulatory Specialist	\$48.00	400	6	\$19,200
Engineer	\$53.00	150	2	\$7,950
Construction Inspector	\$61.00	220	4	\$13,420
Clerical	\$36.00	210	3	\$7,560

Execution

\$806,545

Execution of UST removal, Installation of monitoring wells, and soil sampling, negotiating with Regulators, Design and installation of replacement tanks, Design and installation of soil and groundwater remedial systems

Project Manager	\$84.61	1900	30	\$160,759
Regulatory Specialist	\$48.00	1200	19	\$57,600
Engineer (2)	\$53.00	5000	80	\$265,000
Construction Inspector (2)	\$61.00	4826	77	\$294,386
Clerical	\$36.00	800	13	\$28,800

Financial Planning

\$92,141

Project Financial Planning Consultant and contractor selection, invoice and payments

Project Manager	\$84.61	400	6	\$33,841
Engineer	\$53.00	300	5	\$15,900
Construction Inspector (3)	\$61.00	400	6	\$24,400
Clerical/Accounting	\$36.00	500	8	\$18,000

Subtotal	\$980,860
Inflation (2% per year for 3 years)	58,840
Total Project Estimate	\$1,039,500

Attachment 3

List of Proposed Bond Measures

	<u>Proposed</u>	<u>CIAC Recommended</u>
1. City Hall Non-Seismic Improvements (File 170-95-6)	\$63,590,000	\$63,590,000
2. Underground Storage Tanks (File 170-95-7)	51,000,000	40,200,000
3. Steinhart Aquarium (File 170-95-8)	<u>28,670,829</u>	<u>29,245,000</u>
TOTAL	\$143,260,829	\$133,035,000

Item 7 - File 170-95-8

Item: Resolution determining and declaring that the public interest and necessity demand the acquisition, construction, or reconstruction by the City of the following municipal improvement, to wit: acquisition, construction and/or reconstruction of certain improvements to Steinhart Aquarium and related facilities and structures, including seismic upgrade, asbestos and lead abatement, disabled access improvements, life support system improvements, building system improvements and structural improvements, and related acquisition, construction and reconstruction necessary or convenient for the foregoing purposes, that the estimated cost of \$28,670,829 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness.

Amount: \$28,670,829

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the City Attorney will prepare an ordinance to submit the proposed bond issue to the voters.

Mr. Steve Nelson of the CAO's Office states that, in order for the proposed General Obligation Bond measure to qualify for the November ballot, the subject proposed resolution (File 170-95-8) must be approved by the Budget Committee no later than June 14, 1995. The proposed General Obligation Bond funds would be used primarily for seismic retrofitting and structural repairs for the Steinhart Aquarium, including the removal of asbestos and other toxic materials, and improvements to the electrical and water supply systems, which are crucial to the maintenance of the Aquarium.

The Steinhart Aquarium, is a two-story concrete structure, which was built in 1923 as both a recreational destination and an educational facility, to supplement the educational programs of San Francisco schools. The Aquarium houses a variety of fish, amphibian, reptilian, avian and mammalian life, including several endangered species. In 1977, the

Aquarium opened the Fish Roundabout which is a 66 foot in diameter circular viewing tank, containing numerous varieties of fish. The City Charter provides that the Aquarium is operated by the California Academy of Sciences, a non-profit agency, and funds for the maintenance, operation, and continuance of the Steinhart Aquarium are provided by the City.

In 1991 and in 1992 two studies were conducted by the firms of H.J. Degenkolb, and Rutherford and Chekene respectively, to determine (1) the overall condition of the Steinhart Aquarium building structure, and (2) the ability of both the structure of the building, and the Aquarium's Life Support System (LSS) to withstand an earthquake. The LSS is a system of pipes and other components which provides water of the required quality from the Ocean Beach Pumping Facility to the Aquarium to support the living animals.

The first study identified various levels of deterioration to the structural elements of the building, due to long term exposure to moisture, seawater, high humidity, and the aggressive salt-laden atmosphere. The second study concluded, that in the event of an earthquake, there is a high potential for structural and non-structural damage to the Aquarium, and to the LSS. On a scale of one to four, with four being the most hazardous, the investigating team for the study assigned a Seismic Hazard Rating (SHR) of three to the structure of the Steinhart Aquarium building, and a four to the Aquarium's LSS. Specifically, the studies described above concluded that the Steinhart Aquarium has an essential need for the following repairs: (a) Seismic Strengthening, (b) Asbestos Removal and Toxic Materials Management, (c) Correction of substantial Building Deficiencies, (d) Compliance with Americans with Disabilities Act (ADA), Title 24 and related code compliance, and (e) Replacement of life support, obsolete equipment, and animal support facilities. In addition the second study determined that the off-site utility, which pumps saltwater to the Aquarium, must be improved or replaced. This would include new piping between the Ocean Beach pumping facility and the Aquarium, enlargement of the pump station, and the replacement of obsolete equipment. DPW has determined that the installation of a new underground electrical feed to the Steinhart Aquarium from the electrical supply box on Fulton Street at the edge of Golden Gate Park is necessary to ensure continued adequate electrical power to the Aquarium.

The estimated costs of the proposed bond program are as follows:

Seismic Strengthening	\$5,473,849
Disabled Access	1,224,000
Asbestos and Toxics Management	1,719,020
Functional Improvements/Renovations	14,356,993
Improvements to Off-Site Utilities	4,411,067
Program Disruptions/Relocations	1,485,900
Total	\$28,670,829

If the proposed bonds are approved by the electorate in November of 1995, the Steinhart Aquarium reports that design development would begin in January of 1996. The anticipated completion date of the project would be January 1999, and the reopening date of the Aquarium would be between March and June of 1999. The Steinhart Aquarium reports that the proposed project cannot be completed in phases, and will necessitate the closure of the Aquarium for 24 to 28 months due to the impact that the work would have on the live animals. The animals would be relocated during construction, either to other sites within the California Academy of Sciences, or to off-site locations. This project was included in a \$94 million Cultural Facilities Bond Program which appeared on the November, 1993 ballot, but failed to receive the required two-thirds majority approval.

Comments:

1. The Capital Improvements Advisory Committee (CIAC), which is chaired by the Chief Administrative Officer (CAO) is responsible for prioritizing the City's proposed capital improvement projects. The CAO reports that the CIAC has recommended that this proposed General Obligation Bond measure be placed on the November 1995 ballot because the repairs to the Steinhart Aquarium represent a high priority health and safety project for the City.
2. The CIAC has recommended that the bond issue include issuance costs. These costs were not included in the original proposed amount of \$28,670,829. The CIAC has estimated that the issuance costs would be approximately two percent of the total bond issue. As such, the CIAC recommends that this measure be placed on the November, 1995 ballot for a total amount of \$29,245,000.
3. If \$29,245,000 in bonds were to be issued instead of \$28,670,829, the bonds would result in an increase in the property tax rate for 1996-97 of approximately \$0.0054 per

\$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay \$15.82 in additional property taxes beginning in 1996-97 due to the issuance of these bonds.

4. According to the CIAC, the City is reaching its prudent debt limit, which is 2.4 percent of net assessed property value in the City. The CIAC estimates that approximately \$600 million in debt limit over the next ten years, assuming a 3 percent annual growth rate in net assessed property value. If all of the bond issues recommended by the CIAC for the November 1995 ballot (See Attachment for a list of all the proposed bond issues) are approved at the amounts recommended by the CIAC, the City would issue \$133 million in General Obligation bonds, using approximately 22 percent of the City's remaining estimated bonding capacity to the year 2005.

5. The expenditure of any of the proposed General Obligation Bond funds would require a supplemental appropriation to be approved by the Board of Supervisors if the electorate approves the proposed General Obligation bonds.

- Recommendation:**
1. Amend the proposed resolution to provide for a proposed bond issue of \$29,245,000 rather than \$28,670,829, based on the CIAC's recommendation to include issuance costs in the bond issue.
 2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

List of Proposed Bond Measures

	<u>Proposed</u>	CIAC <u>Recommended</u>
1. City Hall Non-Seismic Improvements (File 170-95-6)	\$63,590,000	\$63,590,000
2. Underground Storage Tanks (File 170-95-7)	51,000,000	40,200,000
3. Steinhart Aquarium (File 170-95-8)	<u>28,670,829</u>	<u>29,245,000</u>
TOTAL	\$143,260,829	\$133,035,000

Item 8 - File 127-95-3

Item:

The proposed ordinance would amend Part III of the Municipal Code to add Article 12-E entitled "Occupation License Fee Ordinance". The ordinance would impose a license fee of two percent of compensation on employees earning in excess of \$150,000 for work performed or services rendered within the City of San Francisco. The ordinance would be effective January 1, 1996 but shall not apply to gross receipts prior to that date. Therefore, if this ordinance is approved, no fees will be collected prior to January 1, 1997.

Description:

1. In general, according to the City Attorney's legislative digest, this proposed ordinance would impose a fee on persons engaging in an occupation in San Francisco who earn in excess of \$150,000 for work performed or services rendered in San Francisco. The amount of this fee would be equal to two percent of "gross receipts," which is defined as compensation received, including wages, commissions and other compensation. "Employee" is defined to include self-employed individuals as well as persons employed by others. The ordinance would provide that persons subject to both this fee and the Business (Gross Receipts) Tax would only be liable for whichever of the two is greater. Individuals who perform work or render services in San Francisco for less than seven working days per year would not be subject to the fee. The Tax Collector would be authorized to issue regulations requiring employers to withhold the tax from employees' earnings.

2. The amount of the fee would be two percent of the total "gross receipts" of an employee (including self-employed individuals) who earns in excess of \$150,000 for work performed or services rendered within the City and County of San Francisco. The term "gross receipts" is defined by the proposed ordinance as compensation received, including salaries, wages, commissions and other compensation, by an individual who, during any calendar year, performs work or renders services in whole or in part in the City and County of San Francisco as an employee. "Earned income" as defined by Section 401(c) of the U.S. Internal Revenue Code shall also be included in gross receipts for individuals who derive earnings from self-employment. Generally, "earned income" excludes capital gains that are unrelated to the occupation of the self-employed individual, dividends and interest income, and distributions from "passive" interests and partnerships.

3. If an employee's gross receipts result from work performed or services rendered partly within and partly without the City and County of San Francisco, such gross receipts will be apportioned

on the basis of the number of hours worked within and without the City and County of San Francisco. Therefore, if an individual has gross receipts of \$150,000 or more, but the portion of gross receipts attributable to work performed or services rendered within the City and County of San Francisco is less than \$150,000, then said individual would not be liable for the proposed two percent Occupation License Fee. If it is found to be impracticable for gross receipts to be apportioned on the basis of the number of hours worked within and without the City and County of San Francisco, then rules and regulations for determination of a basis of apportionment of gross receipts adopted by the Tax Collector will be used instead. Such rules and regulations would not be subject to approval by the Board of Supervisors.

4. The Occupation License Fee shall become due and payable on January 1st of each year for the preceding calendar year and shall become delinquent if not paid on or before April 15th of each year. Employees subject to the Occupation License Fee shall file a return on a form issued by the Tax Collector. The Tax Collector would be able to grant extensions of up to four months for good cause. Interest would be charged during the extension period, but no penalty would be imposed on the employee (point 6 below describes the method of calculating interest rates prescribed by this ordinance). The Tax Collector would be able to request any financial information necessary for purposes of verifying an individual's liability under the Occupation License Fee Ordinance.

5. The Tax Collector would be responsible for collection of the Occupation License Fee subject to oversight by a Board of Review consisting of the Chief Administrative Officer, the Controller and the Assessor. The Board of Review would be responsible for:

- reviewing and ruling upon any Petition for Redetermination or Petition for Refund by an employee subject to the Occupation License Fee and may modify or revoke the decision of the Tax Collector or affirm the Tax Collector's decision and dismiss the petition;
- approving, modifying or disapproving forms, rules and regulations prescribed Board of Review for administration and enforcement of the Occupation License Fee Ordinance;
- hearing and determining any protest concerning any forms, rules and regulations prescribed by the Tax Collector; and,

- granting for good cause applications for extension in excess of 60 days for filing a return or making a payment of the Occupation License Fee.

6. Any delinquency or deficiency in payment of the Occupation License Fee would bear interest at 120% of the average rate of interest earned by the Treasurer of the City and County of San Francisco for the preceding six-month period. Delinquencies would be liable for a late payment penalty of 20% of the fee owed.

An employee who fails to file a return as required by the Occupation License Fee Ordinance would be liable for a penalty of \$100 for each year a return is not filed in addition to the delinquent fee amount plus interest and late payment penalty. If an employee fails to file a return due to fraud or intent to evade the Occupation License Fee, a penalty of 75 percent of the amount of the fee liability would be imposed in addition to the delinquent fee amount plus interest and late payment penalty. Overpayments of any fee, penalty or interest paid more than once or erroneously or illegally collected or received by the City and County of San Francisco under the ordinance would be refunded provided a verified claim is filed with the Tax Collector within three years. Any person who refused to permit the Tax Collector access to financial information, or knowingly makes an incomplete, false or fraudulent return, would be deemed guilty of a misdemeanor and subject to a fine of not more than \$500 and/or imprisonment for not more than six months.

**Controller's
Estimated
Revenue**

1. Based on Internal Revenue Statistics of Income and 1990 Census data, the Controller has estimated that the proposed ordinance imposing an Occupation License Fee on employees with gross receipts of \$150,000 or more for work performed or services rendered within the City and County of San Francisco would result in estimated revenues of \$20.9 million annually to the City. This estimate assumes that 4,385 individuals would be potentially subject to the Occupation License Fee, but that, on average, 20 percent of such individuals' gross receipts would be earned outside of City and County of San Francisco. The Budget Analyst concurs with the Controller's revenue estimate.

2. Using the same data and methodology described above, the Controller has also estimated potential Fee revenues based on alternative levels of gross receipts on which the Occupation License Fee would be imposed. If the two percent Occupation License Fee were imposed on employees with gross receipts earned within the City and County of San Francisco in the amount of \$100,000 or more, the estimated revenue to the City would equal \$31.5 million annually. If the two percent Occupation License Fee were imposed on employees with gross receipts

earned within the City and County of San Francisco in the amount of \$200,000 or more, the estimated revenue would equal approximately \$12.15 million annually.

Comments:

1. Attachment I to this report provides a list of similar Occupation License Fees imposed by other Cities within the United States. This information was compiled by the Budget Analyst at the request of the Board of Supervisors in June of 1994.

2. The Tax Collector has prepared a written memorandum on the cost of administering and enforcing the proposed Occupation License Fee Ordinance (see Attachment II). The Tax Collector has estimated that, after incurring one-time costs of \$1,344,000 for equipment, programming and taxpayer education, the annual cost of administering and enforcing the proposed ordinance would amount to \$2,592,000. The total cost for the initial outlay and first year of administration would therefore equal \$3,936,000. This estimate would be subject to a detailed review and analysis and would require appropriation of funds by the Board of Supervisors and the Mayor.

3. According to the City Attorney, an Occupation License Fee has been found to be valid in California by a 1978 court decision (Weekes vs. City of Oakland). By contrast, a municipal income tax is specifically prohibited by the California Revenue and Taxation Code. However, the City Attorney adds that there is no certainty that a different court, at this time, would not reach a different decision.

4. Income tax experts consulted by the Budget Analyst believe that the Occupation License Fee would be a fully deductible expense on the individual's Federal income tax form assuming that the individual itemizes deductions. In most such cases, either 36% or 39.6% of the Occupation License Fees paid would be offset by reduced Federal Income Taxes based on 1994 tax rates.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Similar Taxes and Fees on Employees in States and Cities Outside of California

Alabama:

Birmingham has a 1% Tax on employees' payroll earnings.

Maryland:

The City of **Baltimore** and **all counties** within the State of Maryland, computes a local income tax on employees based on the State income tax due. This tax ranges from 20% to 60% of the employees' State income taxes due. The State collects the tax and disburses it to the City of Baltimore and to the various counties in Maryland.

Michigan:

Detroit has a City income tax of 3% on its residents and a City income tax of 1.5% on its nonresidents.

Missouri:

St. Louis has a 1% gross earnings tax on residents, nonresidents and net profits of businesses.

Kansas City has a 1% gross earnings tax on residents, nonresidents and net profits of businesses.

New York:

New York City has a graduated income tax of 2.25% to 3.4% of taxable State income.

Yonkers has a State income tax surcharge of 15% based on the State income tax due plus a 0.5% earnings tax on earnings from self employment.

Ohio:

Akron and **Youngstown** have a 2% earnings tax on residents, nonresidents and net profits of businesses.

Cincinnati has a 2.1% earnings tax on residents, nonresidents and net profits of businesses.

Dayton and **Toledo** have a 2.25% earnings tax on residents, nonresidents and net profits of businesses.

Pennsylvania:

Philadelphia has a wage tax of 3.4% on residents and a 4.3125% wage tax on nonresidents.

Pittsburgh has a 1% earnings tax on residents, nonresidents and net profits of businesses.



Office Of The Treasurer/Tax Collector

City and County of San Francisco

Mailing Address: P.O. Box 7426 ❖ San Francisco, CA 94120-7426

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MARY I. CALLANAN, Treasurer

Phone: (415) 554-4478

RICHARD A. SULLIVAN, Tax Collector

Phone: (415) 554-4470

June 7, 1995

Mr. Ken Bruce
Budget Analyst's Office
San Francisco, Board of Supervisors
1390 Market Street, Suite 1025
San Francisco, Ca 94102

Re: City Occupational License Fee
File # 127-95-3

Dear Ken:

Attached are our comments and estimated cost of collecting and enforcing a City Occupational License Fee. The data was developed utilizing information received on the gross earning tax in St. Louis Missouri.

If I maybe of further assistance, please call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard A. Sullivan".

RICHARD A. SULLIVAN
Tax Collector

cc: Supervisor Tom Ammiano

CITY OCCUPATIONAL LICENSE FEE

Attached are the estimated administrative costs (Schedule A) for implementing the city occupational license fee in San Francisco. Our estimates were developed from information provided by the city of St. Louis that has a similar earnings tax program. Some salient features of the St. Louis program are:

- The city of St. Louis ordinance taxes 1% of the gross payroll of individuals living in the city and/or working in the city. There are no exemptions and no limitations. The proposed San Francisco ordinance will establish a 2% fee on individuals making wages over \$150,000 a year in San Francisco.
- St. Louis has 15,000 employers (businesses) registered that are withholding the tax. Our estimate is that San Francisco has approximately 30,000 employers and that 8,000 employees will be subject to the tax.
- St. Louis has 7 employees who handle the withholding tax ordinance within the department of 58 employees.
- St. Louis employers withhold the tax, remit the tax every calendar quarter, and submit reports similar to the federal/state W-2 forms.
- For the fiscal year 1993-1994, the costs of administering the St. Louis earnings tax were \$2,266,749.

These estimated San Francisco administrative costs are based on the following assumptions:

- A separate database would be required and would incur one time programming costs.
- The tax would be withheld and remitted by the employer.
- Tax reporting would be required by both the employer and employee on an annual basis. W-2's would be submitted by the employers.
- Wage income includes wages, salaries, bonuses, commissions, Section 401(k) deferred compensation, and other compensation received during the calendar year. This occupational license fee would be imposed on all people who work in the City, whether or not they live here.
- The wages may be subject to apportionment based on the employee's time spent inside and outside of San Francisco.
- The city occupational license fee, based on 8,000 employees paying the tax, is estimated to generate \$20,900,000 a year in revenues at the estimated annual cost of \$2,592,000.

CITY OCCUPATIONAL LICENSE FEE

ISSUES THAT NEED TO BE ADDRESSED:

- It needs to be determined if non-cash (i.e., stocks) items should be included as wage income.
- The administration of the city occupational license fee will be simpler if there was no allowance for apportionment for time spent outside of San Francisco.
- For companies with outside San Francisco offices but have San Francisco business, it needs to be determined how those employees working in San Francisco will be reported. It will be difficult to monitor the employers located outside San Francisco and their employees are working in San Francisco.
- It needs to be determined when a person is an employee. A person might have terminated his employment before the end of the year.
- It needs to be determined if government, non-profit, bank, insurance company, etc., employees will be subject to the tax. These organizations are not subject to the business and payroll tax ordinances.

SCHEDULE AESTIMATED ADMINISTRATIVE COSTSI. INITIAL OUTLAY:

Equipment (furniture, PCs) -- 1 time cost	\$320,000
Programming Costs -- 1 time cost	\$624,000
Taxpayer Educational Costs, Promotion	<u>\$400,000</u>
Total Initial Costs	<u>\$1,344,000</u>

II. CONTINUING COSTS:

Staffing Costs:

Management, Office & Clerical Staff	\$785,000
Accounting & File Management Staff	\$696,000
Collections & Enforcement Staff	<u>\$351,000</u>
Total Staffing Costs	\$1,832,000
Supplies, Forms, Mailing	\$400,000
Rental -- Office Space	<u>\$360,000</u>
Total Continuing Costs (Ongoing Costs after Year 1)	<u>\$2,592,000</u>

III. TOTAL COSTS \$3,936,000

Item 9 - File 186-95-5

Department: Chief Administrative Officer (CAO)

Item: Resolution urging the Chief Administrative Officer to examine proposals for the creation of an Affinity Credit Card for the City and County of San Francisco and seeking input from appropriate departments in its formulation.

Description: According to the CAO, Affinity Credit Cards are credit cards which financially benefit a cause or an organization or an affiliation by providing that the given cause, organization or affiliation receives a certain percentage of the sales paid for through the use of the credit cards. The CAO advises that, the Affinity Credit Card was created to take advantage of the perceived loyalty of consumers for certain causes/charities, organizations or affiliations. Potential Affinity Credit cardholders are offered the opportunity to obtain a specially designed card, at competitive interest rates, that would, through the cardholders usage, contribute money to the cardholders preferred cause/charity, organization or affiliation. At the same time, the design features of the card visibly show the cardholders "affinity" for the particular cause/charity, organization or affiliation.

The CAO cites the following examples of nonprofit organizations which have issued Affinity Credit Cards: Working Assets, a non-profit agency, the California Alumni Association, the Japanese American Citizens League, and the Sierra Club. Additionally, according to the CAO, the City of South Orange, New Jersey has issued Affinity Credit Cards.

Mr. Neal Taniguchi of the CAO's Office, advises that the CAO plans to undertake a preliminary analysis to determine what the goals and objectives of a San Francisco Affinity Credit Card Program should be and to examine the general feasibility and practicality of the City adopting such a program. According to Mr. Taniguchi, should the CAO determine from this preliminary analysis that an Affinity Credit Card Program would be of benefit to the City, the CAO will consider hiring a consultant to assist the City in designing a San Francisco Affinity Credit Card Program. If such a program is designed, it would serve as a proposal to be used to solicit the services of a bank to administer the City's Affinity Credit Card. Mr. Taniguchi advises that, as of the writing of this report, the CAO has not identified any source of funds to pay for such a consultant.

Mr. Taniguchi advises the he believes that there would be negligible on-going administrative costs to the City to administer an Affinity Credit Card since a bank, to be retained by the City, would handle the promotion, marketing, issuance and administration of the City's Affinity Credit Card.

Mr. Taniguchi reports that elements of an Affinity Credit Card program for San Francisco might include (1) offering an Affinity Credit Card to City employees and residents, at competitive interest rates, with a design unique to the City, (2) depositing monies received from the card directly to the General Fund, or as prescribed by the City, (3) allowing cardholders to designate their contributions to pre-selected programs or activities (e.g., Golden Gate Park, the Department of Animal Care and Control's animal shelter, homeless shelters, branch libraries), (4) having participating San Francisco businesses provide discounts on items purchased with the credit card and (5) promoting the City by offering rebates to credit card holders for credit card purchases made in San Francisco.

Mr. Taniguchi advises that, since the CAO is only at the preliminary stages of evaluating the potential for the City to establish a San Francisco Affinity Credit Card, the CAO is unable, as of the writing of this report, to estimate the annual costs to the City or the amount of revenue which would accrue to the City based on the establishment of a San Francisco Affinity Credit Card.

Comments:

1. Mr. Ted Lakey of the City Attorney's Office advises that should the San Francisco Affinity Credit Card bear the City's name and/or seal, that fact alone would not make the City liable with respect to the card. Mr. Lakey notes that any agreement between the City, and a bank retained by the City to administer a San Francisco Affinity Credit Card, should contain provisions stipulating that the City would not have any liability with respect to the City's Affinity Credit Card.
2. The attached memo contains Mr. Taniguchi's initial comments regarding the potential for the City establishing a successful San Francisco Affinity Credit Card.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



WILLIAM L. LEE
CHIEF ADMINISTRATIVE OFFICER

June 9, 1995

TO: Harvey Rose, Budget Analyst, Board of Supervisors

FROM: Neal Taniguchi, Assistant to the CAO

RE: A VISA Affinity Card for the City

You have asked the CAO's Office about the feasibility of creating a successful affinity credit card program for the City and County of San Francisco. Your analyst has already received a copy of a memo from the CAO's Office briefly describing how an affinity credit card program might work and be established. While an affinity credit card program appears to be a potentially attractive program for the City to explore, and the CAO's Office would be willing to explore the feasibility of an affinity credit card program for the City, our office cannot at this time reasonably assess its potential for success.

The CAO's Office will be available at the Budget Committee meeting to answer any questions regarding the proposal.

Item 10 - File 199-95-1

Item: Resolution transferring jurisdiction of a portion of certain property from the Department of Public Works (DPW) to the Port of San Francisco for use as a public park and adopting findings that the transfer is consistent with the City's Master Plan and Eight Priority Policies of the City Planning Code.

Description: 1. As stated in the proposed resolution, on November 4, 1985, the Board of Supervisors adopted Resolution No. 965-85, approving the development and implementation of the Embarcadero Surface Roadway Project, including a Municipal Railway Metro extension along the Embarcadero, a Municipal Railway Metro Turnback, the reconstruction of the Embarcadero Roadway, and the creation of the new Rincon Park between the relocated Embarcadero and the waterfront. This proposed resolution would transfer property known as the "Park Parcel" (see No. 2 below) to the Port which, together with existing, contiguous Port property, will comprise the Rincon Park.

2. On July 24, 1992, the Board of Supervisors authorized the acquisition of Lots 7, 8, 8a, 9 and 10 in Assessor's Block 3742, also known as 1289 Steuart Street, (the "Terminals Property"), from Terminals Equipment Company, Inc. for the Embarcadero Surface Roadway Project. This property is depicted in the attached 'Exhibit A' (page 1 of 2). The property has an area of 31,510 square feet and is presently under the jurisdiction of the Department of Public Works. The portion of the Terminals Property to be transferred to the Port is known as the "Park Parcel". The Park Parcel has an area of 14,337 square feet (45.5% of the Terminals Property area). However, the western dimensions and ultimate size of the Park Parcel are subject to possible change based on a future determination of the final alignment of the rerouted Embarcadero Roadway.

3 The City and County purchased the Terminals Property on August 18, 1992, using the following sources of funding:

Muni Extension Project Funds	
(from the Federal Transit Administration)	\$1,215,760
Embarcadero Roadway Project Funds	
(Sales Tax funds from the San Francisco	
Transportation Authority)	4,626,250
Downtown Park Fund *	1,443,667
Interest Earnings from Escrow Deposits	<u>544,962</u>
Total Purchase Price	\$7,830,639

* The City's Downtown Park Fund is a special fund created by the Planning Code. The special fund is administered jointly by the Planning Commission and the Recreation and Parks Commission. The source of funding for the Downtown Park Fund is developer fees.

According to the letter agreement between the CAO and the Director of the Redevelopment Agency (see point 5 below), funds were borrowed from the Downtown Park Fund for this property acquisition and it was anticipated that the Downtown Park Fund would be repaid in the future. No source of funds for the repayment was identified at that time.

4. The Port Director has requested that the Director of the Department of Public Works transfer the Park Parcel portion of the Terminals Property to the Port. This transfer is described as necessary in order to satisfy a condition under the Disposition and Development Agreement (DDA) between the Redevelopment Agency and The Gap, Inc. According to the Redevelopment Agency, the DDA requires that, by July 7, 1995, the Redevelopment Agency lease the Rincon Park site from the Port for construction of improvements to the public park. If The Gap, Inc. Headquarters Building is constructed, the DDA provides that Gap, Inc. will pay up to \$2.0 million (indexed to future inflation) to design and build Rincon Park and an additional \$1.0 million for security in the Park over a ten year period.

The DDA between The Gap, Inc. and the Redevelopment Agency was approved by the Redevelopment Commission and is not subject to Board of Supervisors approval.

The full area of the Rincon Park site (125,870 square feet or approximately 2.89 acres), comprised of the parcel that would be transferred to the Port by this resolution and the adjoining Port property, is shown in the attached Exhibit A, page 2 of 2.

5. The Chief Administrative Officer and the Redevelopment Agency entered into a letter agreement dated March 23, 1995 in which the Redevelopment Agency agreed to seek Board of Supervisors and Mayor approval to include in a future budget, tax increment monies from anticipated development on the site subject to the DDA between The Gap, Inc. and the Redevelopment Agency, in an amount sufficient to reimburse the Downtown Park Fund for its contribution to the purchase of the Terminals Property. The Department of Public Works is willing to transfer jurisdiction over the Park Parcel to the Port on the terms and conditions as discussed in the March 23, 1995 letter agreement between the Chief Administrative Officer and the Redevelopment Agency, since the Park Parcel is no longer necessary or advantageous to the Department of Public Works and can be more advantageously used by the Port for public open space purposes as part of Rincon Park. The Director of Property states that the reimbursement of \$1,443,667 (the amount borrowed from the City's Downtown Park Fund) to the Downtown

Park Fund by the Redevelopment Agency for the Downtown Park Fund's share of the purchase price for the City's acquisition of the Terminals Property pursuant to the terms and conditions of the agreement between the CAO and the Redevelopment Agency, is fair and reasonable compensation for the transfer of the Park Parcel to the Port.

6. The proposed resolution provides that the Port can use the Park Parcel for other than park purposes until the Rincon Park is built. According to David Madway, General Counsel of the Redevelopment Agency, the construction of Rincon Park with funds contributed by The Gap, Inc., is expected to occur in either 1998 or 1999. Potential interim uses by the Port would include a parking lot. Any income derived from the Port's interim use of the Park Parcel would be transferred to the CAO's Office and used to repay the obligation to the City's Downtown Park Fund. Monies in the fund can be used for the purpose of acquiring open space and constructing parks in the downtown area.

Comments:

1. The lease agreement between the Port and the Redevelopment Agency for the Rincon Park site will be subject to separate, future approval by the Board of Supervisors.

2. While this transfer of property is consistent with prior legislation approved by the Board of Supervisors concerning the creation of Rincon Park, the Board of Supervisors has not approved the Disposition and Development Agreement between The Gap, Inc. and the Redevelopment Agency that necessitates this transfer of property at this time. As previously noted, the Disposition and Development Agreement is not subject to approval by the Board of Supervisors.

3. In summary, a parcel of City-owned property located at the intersection of Folsom Street and the Embarcadero, known as the Park Parcel, is surplus to the needs of the Department of Public Works and would be transferred, if this resolution is approved, from the jurisdiction of the Department of Public Works to the Port of San Francisco. The Park Parcel was acquired using, in part, approximately \$1.44 million from the City's Downtown Park Fund. The Port will eventually combine the Park Parcel with existing Port property that adjoins the Park Parcel to form an open space property that will become Rincon Park. The Rincon Park property will then be leased to the Redevelopment Agency.

The Redevelopment Agency has negotiated a Disposition and Development Agreement (DDA) with The Gap, Inc. for the construction of a new Headquarters Building that will be located in the block bounded by Steuart Street, Folsom Street, Spear Street and Harrison Street. As part of this DDA, The Gap, Inc. has agreed to contribute \$2.0 million for design and construction of Rincon Park which is located across from the site of the proposed Headquarters Building for The Gap, Inc.

Lastly, The Chief Administrative Officer and the Redevelopment Agency entered into a letter agreement in which the Redevelopment Agency agreed to seek Board of Supervisors and Mayor approval to include in a future budget, tax increment funds in the amount of \$1.44 million that will reimburse the City's Downtown Park Fund. Such funds can be used for the acquisition of open space and construction of parks in the Downtown area.

Recommendation: Based on Comment 2 above, we consider approval of the proposed resolution to be a policy matter for the Board of Supervisors.

page 1 of 2 pages

TERMINAL PROPERTY
BLOCK 3742
LOTS 7, 8, 8a, 9, & 10

	Original TEC %	3 Lone TEC %
MUNI	16.7% 5,262 sf	24.4% 7,700 sf
Road	37.8% 11,911 sf	39.1% 12,330 sf
Park	45.5% 14,337 sf	36.4% 11,480 sf

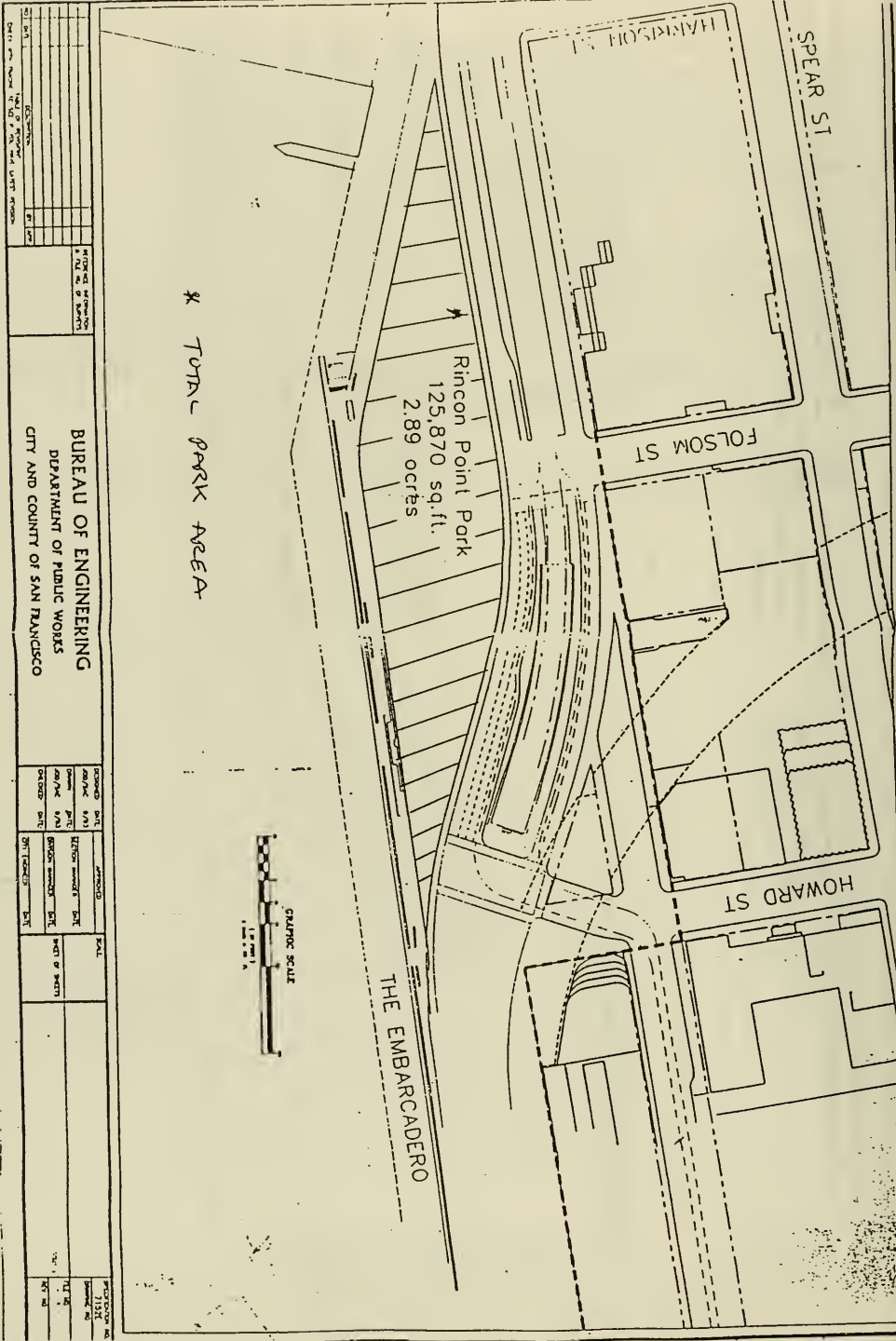
* Proposed Alternative

PARK PARCEL

3 - Lone Alternative

BUREAU OF ENGINEERING
DEPARTMENT OF PUBLIC WORKS
CITY AND COUNTY OF SAN FRANCISCO

[illegible]



Items 11 and 12 - Files 231-95-1.1 and 127-95-9

Department: Recreation and Parks Department

Item: File 231-95-1.1 Ordinance amending Part III of the San Francisco Municipal Code by adding a new Article thereto forming the Park and Recreation Improvement District for Enhancements ("PRIDE"), a Benefit Assessment District to fund maintenance of Park property; ordering the improvements, and levying an assessment to fund the improvements.

File 127-95-9 Resolution declaring the intention to form the Park and Recreation Improvement District for Enhancements ("PRIDE"), a Benefit Assessment District to fund maintenance of Park property; approving the Engineer's Report regarding the District; describing the maintenance and servicing to be funded; and giving notice of hearings on the question of the formation of the District and the levy of an assessment.

Description: State law permits local and regional jurisdictions to form special assessment districts that charge property owners for capital improvements and maintenance on nearby streets and parks.

The Board of Supervisors previously approved a resolution initiating proceedings to form a Benefit Assessment District in the City to provide funds to the Recreation and Park Department for the operation and maintenance of City parks, and ordering an Engineer's Report regarding the Assessment District (File 231-95-1). The proposed ordinance and the proposed resolution would take the next steps in the formation of this Benefit Assessment District.

The proposed resolution (File 127-95-9) states the City's intent to form the Assessment District, approves the Engineer's Report, which lists the improvements planned within the District and the amount needed for the improvements planned under the District, and sets the necessary assessment levels for the District. In addition, the proposed resolution provides for public hearings to be held on the Benefit Assessment District. The proposed ordinance (File 231-95-1.1) would formally levy and provide for collection of the assessment from City property owners.

Amount and Use of Assessment District Funds

The Engineer's Report, which would be adopted if this proposed ordinance is approved by the Board of Supervisors, states that the cost of the improvements which are planned under the Benefit Assessment District for FY 1995-96 are estimated as follows:

Park Maintenance	\$12,025,858
Park Enhancements	<u>3,250,000</u>
Sub-total	\$15,275,858
Other Expenses (Engineer's Report, cost of public notice, etc.)	<u>268,902</u>
Total	\$15,544,760

Attachment 1, provided from the Engineer's Report, details the estimated expenditures listed above.

Of the total estimated amount of \$15,275,858 to be generated by the Assessment District, according to Mr. Phil Arnold of the Recreation and Park Department, at least \$9 million, which is presently included in the FY 1995-96 budget as proposed by the Mayor, would be used to offset General Fund support of the Recreation and Park Department, thereby freeing up such monies to support other City Departmental expenditures requiring General Fund monies. The remaining \$6,275,858 could be used to increase Recreation and Park Department services. For the \$6,275,858 in revenues not currently included in the FY 1995-96 budget, a supplemental appropriation ordinance will be submitted by the Recreation and Park Department.

However, Mr. Arnold reports that of the \$15,275,858, up to approximately \$12,000,000 might be used to offset General Fund support of the Recreation and Park Department. If, for example, \$11,000,000 is used to offset General Fund expenditures in the Recreation and Park Department, then the estimated available support for enhanced services in the Recreation and Park Department from the PRIDE revenues would be \$4,275,858. In this case, \$11,000,000 in General Fund monies (as opposed to the \$9,000,000 proposed in the Mayor's 1995-96 budget) would be freed up to support other City Departmental expenditures requiring General Fund monies.

Assessment Levels

In order to generate the funds for the Assessment District, the Engineer's Report proposes assessments averaging between \$35.93 (for an industrial warehouse) and \$305.80 (for a large office building) per parcel, with the standard assessment for a single family residence proposed at \$55.34. According to State law, the Engineer's Report must present and verify a formula for the assessments that is reasonably related to the benefits to be derived to property owners from the District.

The assessment rates for this Benefit Assessment District require approval by the Board of Supervisors. If the Board of Supervisors does not agree with the assessments proposed by the Engineer's Report, the Board of Supervisors can recommend a lower assessment level as long as the assessment levels are related to the benefits provided by the District. The Board of Supervisors may not increase the assessments proposed by the Engineer's Report.

The Engineer's Report states that the primary measure of benefit to property owners from City parks is; a) the number of people who use the parks from that property, and, b) whether such persons use the parks as residents, visitors, or employees. The Engineer's Report contains estimates of the numbers of residents, visitors and employees who are represented in different categories of residential and commercial properties, and assigns a value of 100% of Park benefits to residential users, 25% to visitor users, and 12.5% to employee users, and multiplies the number of users in a given property times their proportional benefit level to arrive at an assessment level for each parcel.

In setting assessment levels, a sliding scale is used for properties with over 100 users in recognition of the fact that some large facilities (such as large hotels) gain a diminishing marginal benefit from Parks as the numbers of users represented in that property grow very large. The Engineer's Report also states that some facilities (such as hospitals, clubs, and parking lots) benefit from parks strictly on the basis of their existence, not as a factor of size, and assigns a per parcel assessment to these properties equal to that on a single family residence. Finally, the Engineer's Report notes that some properties should be exempt from the assessment, because such properties are publicly owned (schools), otherwise exempt from property tax assessments (nonprofit agencies such as churches), or because collecting assessments from these properties would be more expensive

than the amount of the assessment (time share condominiums, parking stalls). Staff of Nolte and Associates, Inc., which prepared the Engineer's Report, and staff from the Recreation and Park Department, will be available at the Budget Committee meeting of June 14, 1995 to provide further information on the details of the formula used to determine the amount of the assessments.

Process of Forming the Assessment District

State law provides that proceedings for the formation of an Assessment District must be stopped if a majority of the property owners assessed protest the assessment in writing within a 45-day period after introduction of the ordinance forming the Assessment District. If a majority of the property owners do not protest within the 45 day period, the Board of Supervisors may adopt the ordinance.

According to State law, if an assessment is to be levied for Fiscal Year 1995-96, the ordinance creating the Benefit Assessment District must be adopted by the Board of Supervisors by July 1, or, with the approval of the Controller, by the third Monday in August, which is August 21, 1995. In order to provide for the required 45 day protest period, the Board of Supervisors may not approve the proposed ordinance prior to its meeting of Monday, August 7. The Recreation and Park Department reports that the Board of Supervisors is required to hold two public hearings on the proposed Benefit Assessment District. These hearings are proposed for the Board's meetings of Monday, July 17 and Monday, August 7, at which time the ordinance can be approved. Under the proposed schedule, property owners will have between June 19 (the day the ordinance is first heard by the full Board of Supervisors), and August 7 to protest the assessment.

Comments:

1. In California, citywide assessment districts to fund park maintenance have been established in Oakland, Berkeley, Alameda, Hayward, Daly City, and other jurisdictions. The assessments on property in these jurisdictions range anywhere from \$5 to over \$100 per property.
2. The City's current tax rate is \$1.163 percent of assessed valuation, including both Property Taxes and bonded indebtedness. On a single family residence assessed at \$300,000, the amount of property tax is approximately \$3,408. These figures are for information purposes only; as noted above, an assessment under the Benefit Assessment District would not be based on the City's Property Tax rate but rather would be based on the benefit to be derived to property owners

from the improvements as determined in the Engineer's Report discussed above.

3. If the Benefit Assessment District is established, State law requires an Engineer's Report to set the assessment rate each year. State law also requires that affected property owners be provided with the 45-day period to protest the assessment for each year that the Assessment District is renewed.

4. Many assessment districts, such as landscape and lighting districts, are created for a limited time period in order to provide sufficient funds to pay for a specific set of improvements. When the improvements are complete, the assessment district is discontinued. However, the proposed Benefit Assessment District for maintenance of the City's park properties would be created to fund ongoing operations and maintenance costs in the parks, and would have an indefinite lifetime. The Budget Analyst notes that this revenue source is proposed to meet basic ongoing expenses for the Recreation and Park Department, and, in the event that the Benefit Assessment District is dissolved, another source for such funds would have to be identified, or operation and maintenance service levels and costs would have to be reduced. Further, given that the maintenance and operations costs for the City's parks should increase over time because of inflation, it is likely that the amount of the assessments would also increase.

5. The Engineer's Report, submitted by Nolte and Associates, Inc., as well as additional work to be done by these consultants over the next two months, such as participating in the public meeting process, is budgeted at a cost of \$80,000. Attachment 2, submitted by the Recreation and Park Department, shows the hourly rates charged by Nolte and Associates Inc., and the fees for preparation of the Engineers Report, totaling \$69,500. The remaining amount of \$10,500 (\$80,000 less \$69,500) will be billed in accordance with Nolte and Associates' participation in the public meeting process, according to Mr. Arnold. Mr. Arnold reports that the estimated number of hours to be provided by Nolte under its contract with the Recreation and Park Department is 700 hours.

6. According to Mr. Arnold, Nolte and Associates, Inc. was selected to prepare the Engineer's Report after the Recreation and Park Department contacted and interviewed four firms with experience in this area, and asked two of those firms to submit bids. Nolte had the lowest price, and, in the opinion of

Memo to Budget Committee
June 14, 1995 Budget Committee Meeting

the Department, was the most qualified firm. Nolte and Associates is not an MBE/WBE firm. The names of the contacted firms, and the hourly rates and the bid amount of the second firm that was invited to bid, are as follows:

<u>Firm Name</u>	<u>Hourly Rate</u>	<u>Bid Amount</u>
John Heindel, Civil Engineer	N/A	no bid
Randolph W. Leiptien	N/A	no bid
Reimer Associates	N/A	no bid
Wilsey and Ham	\$55 to \$120	\$97,000
Nolte and Associates	\$61 to \$135	\$80,000

7. Mr. Arnold reports that of the \$80,000 budget for the Engineer's Report and other work by Nolte and Associates, an amount of \$15,500 was donated for this purpose by a non-profit organization, the Friends of Recreation and Park, and \$64,500 is being provided by the Recreation and Park Department's FY 1994-95 Special Revenue Fund.

8. According to Mr. James Cumming of the City Attorney's Office, under rules and regulations adopted by the Rent Board, the cost of the assessment levied under the Benefit Assessment District can be passed on from landlords to tenants. Tenant organizations in the City have initiated a lawsuit challenging these rules and regulations, which is currently before the State Court of Appeals, according to Mr. Cumming.

- Recommendation:**
1. Approval of the proposed resolution (File 127-95-9), initiating proceedings for the formation of a Benefit Assessment District, is a policy matter for the Board of Supervisors.
 2. Approval of the proposed ordinance (File 231-95-1.1), approving the Engineer's Report regarding the Benefit Assessment District, forming the assessment district, and providing for the levying and collection of assessments for the 1995-96 Fiscal Year, is a policy matter for the Board of Supervisors.

Cost Estimate Summary

A. Maintenance of Parks

1 Personnel Services	\$9,403,558.00	
2 Materials, Supplies and Utilities	\$1,705,000.00	
3 Equipment	\$917,300.00	
Sub-Total		\$12,025,858.00

B. Recreational Facilities Enhancements

1 Reforestation	\$1,550,000.00	
2 Athletic Field Renovation	\$500,000.00	
3 Custodial Services	\$500,000.00	
4 Landscape Enhancements	\$700,000.00	
Sub-Total		\$3,250,000.00

C. Incidental Costs

1 Engineer's Report	\$65,500.00	
2 Public Notice and Response	\$10,135.00	
3 Public Information Program Costs	\$193,267.32*	
Sub-Total		\$268,902.32

Total		\$15,544,760.32
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* See page 4 of Attachment 1.

Cost Estimate Detail Worksheet -- Maintenance of Parks

A. Personnel Services

1 Salaries, Park Maintenance Workers	\$7,260,934.00	
2 Fringe Benefits	\$1,742,624.00	
3 Worker's Compensation Insurance	\$300,000.00	
4 Overtime Compensation	\$100,000.00	
Sub-Total		\$9,403,558.00

B. Materials and Supplies

1 Supplies	\$271,000.00	
2 Materials	\$234,000.00	
3 Utilities		
Sewer	\$400,000.00	
Power	\$800,000.00	
Sub-Total		\$1,705,000.00

C. Equipment

1 Hand Tools, Gardening Equipment	\$117,300.00	
2 Vehicle Maintenance	\$700,000.00	
3 Fuel	\$100,000.00	
Sub-Total		\$917,300.00

Total		\$12,025,858.00
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Cost Estimate Detail Worksheet --Recreational Facilities Enhancements**A. Reforestation**

1 Personnel (25 Full-time equivalents)	\$1,275,000.00
2 City-Wide Street Tree Program Study	\$50,000.00
2 Materials and Supplies	\$75,000.00
3 Equipment	\$150,000.00
Sub-Total	\$1,550,000.00

B. Athletic Field Renovation

1 Personnel (7 Full-time equivalents)	\$350,000.00
2 Materials and Supplies	
Sod	\$50,000.00
Other Materials	\$50,000.00
3 Equipment	\$50,000.00
Sub-Total	\$500,000.00

C. Custodial Services

1 Personnel (10 Full-time equivalents)	\$400,000.00
2 Materials and Supplies	\$50,000.00
3 Equipment	\$50,000.00
Sub-Total	\$500,000.00

D. Landscape Enhancement

1 Personnel (10 Full-time equivalents)	\$500,000.00
2 Materials and Supplies	\$100,000.00
3 Equipment	\$100,000.00
Sub-Total	\$700,000.00

Total	\$3,250,000.00
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Post-It® Fax Note 7671		Date	6/7/95	# of Pages	2
To	PRA STATION		From	PRA STATION	
Co./Dept.	Harris Rose		Co.	PRA STATION	
Phone #			Phone #	666	
Fax #	2-2-0461		Fax #		

PRIDE incidental costs:

Printing costs for brochure to be included in property tax mailing explaining the purposes of the special assessment district: \$3,000.

Account clerk for Tax Collector's office to handle additional workload resulting from the special assessment district: \$27,000 based on 9 months funding.

Four clerks for processing informational requests and appeals resulting from the special assessment district: \$108,000 based on 9 months funding.

Four telephones including installation: \$2,800.

Four workstations and chairs: \$4,800.

Materials and supplies: \$2,000.

Four personal computers and one printer: \$15,000.

Cal router and universal call distribution system (assumes 2 ports, 5 lines, 1 voice mailbox): \$14,232.

Advertising: \$9,435.32.

City Attorney: \$7,000.

TOTAL \$193,267

N. -07' 95 (WED) 13:13 NOLTE & ASSOC SACTO

TEL:916 641 9222

CHARGE RATES SCHEDULE
NOLTE and ASSOCIATES, Inc.City and County of San Francisco
P R I D E
Landscaping and Lighting Assessment DistrictSTAFF POSITION HOURLY RATE

Principal-In-Charge	\$135.00
Project Manager	\$98.00
Engineering Technician	\$61.00
Clerical Support Staff	\$55.00
Quality Control Reviewer	\$100.00

Sub-Consultant for Data Processing:

Charged as a pass-through with no mark-up	\$100.00
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ATTACHMENT "B" COMPENSATION

The Consultant shall be compensated for the services described in Attachment "A, Scope of Services as described below. The fee for each phase of service shall be a lump sum amount to be paid as described elsewhere in this Agreement.

I.	PHASE I - CONCEPTUALIZE DISTRICT	\$15,500
II.	PHASE II - ASSESSMENT ENGINEER'S REPORT	\$42,000
III.	PHASE III - PUBLIC NOTICE AND HEARINGS	\$7,500
IV.	PHASE IV - ASSESSMENT ADMINISTRATION	<u>\$4,500</u>
		\$69,500

The lump sum fees include the cost of mileage and printing of the Engineer's Report. Other reimbursable expenses will be billed as stipulated in the Standard Form Agreement. The Recreation and Park Department shall be responsible for all fees charged by the Planning Department, the Assessor's Office and the Auditor/Controller's Office. Any legal fees and public relations expenses incurred as part of the District formation process will be the responsibility of the Recreation and Park Department.

Item 13 - File 127-95-7

Item: Ordinance amending Part II of the San Francisco Municipal Code by enacting a new Article 18 to prescribe special notice requirements for any legislation levying a special benefit assessment.

Description: The proposed ordinance would amend Part II of the City's Municipal Code with a new Article 18 to require that before the Board of Supervisors could adopt any new or increased special benefit assessment against real property, the Tax Collector must provide a mailed notice to all property owners, who would be subject to the new or increased special benefit assessment. In accordance with the proposed ordinance, the mailed notice to all property owners would include, but not be limited to the following information:

- Description of the real property to be assessed;
- Estimated amount of the assessment per parcel;
- General description of the purposes for which the assessment revenues will be used;
- Telephone number and address of an individual or department that interested persons may contact to receive additional information about the new or increased special benefit assessment;
- Statement that a majority protest from the affected property owners will cause the assessment to be abandoned, if the assessment procedural ordinance or enabling statute under which the assessment is proposed to be levied so provides. (For example, under the proposed Recreation and Park Benefit Assessment District legislation, if a majority of the property owners assessed protest the Benefit Assessment District, in writing, within a 45-day period after the ordinance forming the assessment district and levying the assessment is introduced, then the ordinance cannot be adopted by the Board of Supervisors.);
- Form which may be returned by the property owner to the Tax Collector in order to file a protest. This form would include the return mailing address of the Tax Collector, or of any other City department or officer designated by the Board of Supervisors to receive and tally the protests in connection with the proposed new or increased special assessment; and
- Dates, times and locations of the public hearings regarding the proposed new or increased special benefit assessment against real property.

The proposed notices must be mailed by the Tax Collector to the affected property owners at least 20 days before the last date of the scheduled public hearings on the new or increased special benefit assessment against real property. In accordance with the proposed ordinance, the City's cost of providing this mailed notice to all property owners may be recovered from the proceeds of the new or increased special benefit assessment against real property.

Comments:

1. According to Ms. Julia Friedlander of the City Attorney's Office, Section 54954.6 of the State Government Code (part of the Brown Act) requires that, in most cases, mailed notices be sent to the affected property owners for new or increased special assessment districts. However, Ms. Friedlander reports that the Brown Act provides limited exemptions from this mailing requirement, if the special assessment is developed exclusively for operational and/or maintenance purposes and the assessments are City-wide or affect at least 50,000 parcels. In these cases, property owners must be notified of any proposed new or increased assessment through the placement of public notices in the newspaper. Under the proposed ordinance, the notification requirements of placing public notices in the newspaper would continue to be required.

2. According to Mr. Phil Arnold of the Recreation and Park Department, for the proposed Parks and Recreation Improvement District for Enhancements (PRIDE), which would be a benefit assessment district to fund operation and maintenance of park property, the Recreation and Park Department plans on placing three public notices which are at least one-eighth of a page in length in both the San Francisco Independent and the San Francisco Examiner. Mr. Arnold reports that the Recreation and Park Department will likely include a telephone number in the advertised public notices to enable interested persons to call for additional information. According to Mr. Arnold, the Recreation and Park Department is considering hiring a public relations firm to respond to the telephone inquiries, although the specifics have not been developed. If the interested caller is not satisfied with the response provided on the telephone, an address would be provided to enable the caller to provide a response in writing.

3. In accordance with the proposed legislation, the Tax Collector's Office estimates that there are currently approximately 160,000 notices that would be required to be sent to affected property owners. As reflected in the Attachment from the Tax Collector's Office, the Tax

Collector's Office does not have "the personnel, space, desks, telephones or computer equipment to take on additional workloads which include mailing out special notices to taxpayers". The Tax Collector's Office estimates that it would cost \$61,517 for the required postage, forms and envelopes to mail these required notices. In anticipation of the high level of response that would be generated by the notices, the Tax Collector projects that the Department would require five additional 1404 Clerks for four months to answer telephone and public inquiries for an estimated cost of \$41,167. In addition, the Tax Collector's Office projects one-time expenses of \$18,790 for the necessary computers, telephones and desks for the five additional staff required. Overall, the Tax Collector estimates that the proposed ordinance would result in an additional expenditure of \$121,474 to the Tax Collector's Office, based on current year costs.

However, no funds are included in the Tax Collector's FY 1995-96 budget for this activity. According to the Tax Collector's Office, if the Tax Collector is given this responsibility prior to supplemental funding, it will be necessary to divert existing staff from revenue producing activity to perform this clerical function. The Tax Collector estimates that, at a minimum, revenue loss would be in excess of \$275,680.

4. Under the proposed legislation, notices would be required to be mailed to affected property owners each time there was a new assessment or increased assessment. Therefore, it is likely that the proposed annual costs of \$102,684 (\$121,474 less one-time expenses of \$18,790) would occur in subsequent years.

5. Furthermore, it is the opinion of the Tax Collector that the mailing and responses to the affected property owners would "be best handled by members of the agency that benefits from the collection of such special assessment or any other designated agency with the necessary expertise to answer public inquiries such as how the amount of the assessment was determined, what type of properties are being assessed, how can taxpayers apply for an exemption, etc. " Alternatively, the Tax Collector recommends that an outside consultant be used, as is currently being done for the Community College Maintenance District. In the case of the currently proposed PRIDE, the Recreation and Park Department would then be the responsible agency to respond to public inquiries. According to Mr. Arnold, the Recreation and Park Department does not have sufficient resources to provide such a mailing and to respond to public inquiries.

6. Although the proposed legislation indicates that costs may be recovered from proceeds from the assessment, according to Mr. Arnold, the budget that is currently being submitted by the Recreation and Park Department does not include any funds to pay for these projected expenses. Further, the Budget Analyst notes that if the assessment district is not created, the City's General Fund would have to pay for the costs of funding these expenses.

7. The earliest the proposed ordinance could be approved for final passage by the Board of Supervisors is June 26, 1995. The proposed ordinance would then not become effective until 30 days after final passage by the Board of Supervisors, or July 26, 1995. However, the proposed ordinance requires that the notices be mailed to the affected property owners at least 20 calendar days before the last date of the scheduled public hearings on the new or increased special benefit assessment. At present, the last date of the scheduled public hearings on the proposed PRIDE is August 7, 1995.

Therefore, since the notices of the affected property owners would have to be mailed at least 20 calendar days before August 7, 1995, such notices would have to be mailed by July 18, 1995, which is before the July 26, 1995 date when the proposed ordinance would become effective. Assuming this timeline, Ms. Friedlander notes that the proposed legislation may not be effective in time to apply to the currently proposed PRIDE Assessment District.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

JUN-06-1995 16:56

TAX COLLECTORS' OFFICE

4155547121 P.02/02

Office Of The Treasurer/Tax Collector

City and County of San Francisco

Mailing Address: P.O. Box 7426 ♦ San Francisco, CA 94120-7426

Street Address: 875 Stevenson Street, 2nd Floor ♦ San Francisco, CA 94103



June 6, 1995

MARY I. CALLANAN, Treasurer

Phone: (415) 554-4478

RICHARD A. SULLIVAN, Tax Collector

Phone: (415) 554-4470

TO: Richard A. Sullivan
Tax Collector

FROM: Francis T. Nguyen
Director of Real Estate

SUBJECT: Estimated Costs of Mailing Special Notices for New or
Increased Special Benefit Assessment

In response to your request for an estimate of the costs to mail out special notices to taxpayers for any new or increased special benefit assessment, I have identified the following major cost groups:

- A. Envelopes, forms, and postage
- B. Staff salaries
- C. Computers, telephones, desks

A. Envelopes, Forms, and Postage

Assuming that we mail 160,000 notices:

- | | | |
|---------------|----------------------------|----------|
| 1. Postage: | 160,000 x .32 = | \$51,200 |
| 2. Forms: | | |
| | a. Reproduction: | \$ 4,428 |
| | Notice & Response Form | |
| | b. Folding: | \$ 1,505 |
| 3. Envelopes: | | |
| | a. EE-5 160,000 x 0.0134 = | \$ 2,144 |
| | b. Z 160,000 x 0.014 = | \$ 2,240 |

TOTAL \$61,517

B. Staff Salaries

<u>Class</u>	<u>Qty</u>	<u>Function</u>	<u>Calculations</u>	<u>Cost</u>
1404	5	To answer phone and public inquiries for 4 months	24,700 x 5 x 4/12	\$41,167

JUN-06-1995 16:20

TAX COLLECTORS' OFFICE
TELEPHONES, DESKS, AND EQUIPMENT

4155547121 P.03/03

1. Computers

Cost for each PC:	\$2,000
Cost to connect to Mainframe	\$ 864
Sales Tax	<u>\$ 243</u>
Sub-Total	\$3,107

Total	\$3,107 x 5 =	\$15,535
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2. Telephones

Estimate to add a phone bank of 5 lines	\$ 1,255
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3. Desks

\$400 x 5 =	\$ 2,000
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GRAND TOTAL	\$121,474
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The Property Tax Section of the Tax Collector's Office is not equipped to provide mailed notice to all property owners who would be subject to the new or increased special benefit assessment.

We do not have the personnel, space, desks, telephones, computer equipment to take on additional workloads which include mailing out special notices to taxpayers, explaining the reasons for the implementation of the assessment and the purposes for which assessment revenues will be used, giving out additional information about the new or increased special assessment, and receiving and tallying protests in connection with the proposed new special assessment.

In our opinion, this function can be best handled by members of the agency that benefits from the collection of such special assessment or any other designated agency with the necessary knowledge and expertise to answer technical questions such as how the amount of the assessment was determined, what type of properties are being assessed, how can taxpayers apply for an exemption, etc.

In addition, once the proposed special assessment is passed and placed on the tax bills for collection, the Property Tax Section of the Tax Collector's Office will be forced to handle most of the public inquiries and refer taxpayers to the proper agency. We will also have to process, balance and reconcile fee payments and distribute to the agency especially when tax bills become delinquent which will accrue late penalties and interests.

In summary, it would be impossible for the Property Tax Section of the Tax Collector's Office to take on any additional responsibility because of the current workloads and responsibilities assigned to its staff members. In addition, as detailed above, it would be too costly to make arrangements for additional personnel and equipment as well as providing proper training to handle these additional workloads.

Item 14 - File 157-95-1

Department: Controller

Item: Communication transmitting the City Departmental Fee Report for 1994-95, except for those fees regulated by State or Federal law, pursuant to Section 3.17-2 of the Administrative Code.

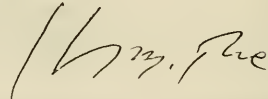
Description: Section 3.17-2 of the Administrative Code provides that no later than the first day of April of each year, City departments shall file with the Controller, fee schedules reflecting (1) the revenues received from each fee collected by said departments, (2) the costs incurred in providing the services for which the fees are assessed, and (3) the anticipated costs for the succeeding fiscal year for such services and the fees which would be necessary to support such costs for each type of fee. Additionally, Section 3.17-2 provides that the Controller shall review the fee schedules submitted by the City departments and shall file these fee schedules with the Board of Supervisors no later than May 15th. Section 3.17-2 further stipulates that fees regulated by State or Federal law are exempted from the provisions of this Section.

The fee schedules submitted by the City departments to the Controller's Office are on file with the Clerk of the Board's Office. The Controller's Office also reports that during the current year, the Controller contracted with David M. Griffith and Associates, Ltd. (DMG) to review the City's fee structure for purposes of recommending possible fee increases. According to the Controller's Office, DMG reviewed a number of departments and provided specific recommendations as to the types and feasibility of fee increases. A copy of this report is also on file with the Clerk of the Board's Office.

Comment: Mr. Harrington reports that, based on the review of the fee schedules, the Controller's Office has determined that most City departments currently do not recover the full cost of providing service to the public. Mr. Harrington states that the Controller's Office concurs with the various departmental recommendations for fee changes included in the fee schedules. However, Mr. Harrington advises that the Controller's Office believes that by accelerating their efforts

Memo to Budget Committee
June 14, 1995

to revise their departmental fees, City departments can realize additional revenues in FY 1995-96. Mr. Harrington notes that the Controller's Office specifically urges the Police Department to submit revisions of their permit fees at the earliest possible date.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Hallinan
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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6/20/95

MINUTES

DEPARTMENTAL BUDGET HEARINGS
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 20, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

TIME MEETING CONVENED: 1:52 P.M.

1. File 100-95-1. [Annual Budget] Consideration of the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

GENERAL ADMINISTRATION AND FINANCE

70 Chief Administrative Officer
93 Convention Facilities Management
25 Mayor
23 Children's Fund
01 Board of Supervisors
18 Ethics Commission
03 City Attorney
08 Treasurer - Tax Collector
09 Controller
91 Purchaser
02 Assessor
78 Recorder
80 Registrar
29 City Planning
37 Permit Appeals
65 Rent Arbitration Board
71 Real Estate
30 Civil Service
33 Human Resources
44 Retirement System

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

PUBLIC PROTECTION

11 Trial Courts
12 Juvenile Probation
63 Law Library
72 County Agriculture - Weights & Measures
74 Medical Examiner/Coroner
76 Animal Care and Control
79 Public Administrator/Guardian
04 District Attorney
05 Public Defender
06 Sheriff
13 Adult Probation
31 Fire
38 Police

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose Budget Analyst; Teresa Serata, Budget Director, Office of the Mayor; Ed Harrington, Controller; Steve Nelson, representing the Chief Administrative Officer; Jack Moerschbaecher, Director, Convention and Facilities Department; Anthony Lincoln, Director, Mayor's Office of Children, Youth and Families; John L. Taylor, Clerk of the Board, Board of Supervisors; Honorable Louise H. Renne, City Attorney; Honorable Mary Callanan, Treasurer; Richard Sullivan, Tax Collector; Marvin Geistlinger, Director, Purchasing Department; Greg Diaz, County Clerk/Recorder; Germaine Wong, Registrar of Voters; Lucian Blazej, Director, City Planning Department; Robert Feldman, Exec. Director, Board of Permit Appeals; Joe Grubb, Director, Rent Board; Anthony Delucchi, Director, Real Estate Department; Al Walker, Exec. Officer, Civil Service Commission; Wendell Pryor, Exec. Director, Department of Human Resources; Vickie Meade, Exec. Asst., Department of Human Resources; Clare Murphy, General Manager, Retirement System; Jane Rubin, Exec. Director, Ethics Commission; Ed Flowers, Jr., Chief Probation Officer, Juvenile Court; Marcia Bell, Librarian, Law Library; G.E. Weeth, Commissioner, Agriculture/Weights and Measures; Dr. Boyd Stephens, Medical Examiner/Coroner; Carl Friedman, Director, Animal Care and Control; Ricardo Hernandez, Public Administrator/Guardian; Honorable Arlo Smith, District Attorney; Honorable Jeff Brown, Public Defender; Honorable Michael Hennessey, Sheriff; Arlene Sauser, Chief Adult Probation Officer; Chief Joseph Medina, Fire Department; Chief Anthony Ribera, Police Department; Debra Newman, representing Budget Analyst; Debra Ward, representing Budget Analyst; Bill Lee, Chief Administrative Officer.

ACTION: HEARING HELD. TRIAL COURTS CONTINUED TO WEDNESDAY, JUNE 21, 1995; ASSESSOR CONTINUED TO THURSDAY, JUNE 22, 1995. REMAINING DEPARTMENTS CONTINUED TO TUESDAY, JUNE 27, 1995.

VOTE: 3-0.

TIME MEETING ADJOURNED: 6:15 P.M.

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MINUTES

DEPARTMENTAL BUDGET HEARINGS
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 21, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

TIME MEETING CONVENED: 1:52 P.M.

1. File 100-95-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

PUBLIC PROTECTION

- 11 Trial Courts (Cont'd from 6/20/95)

CULTURE AND RECREATION

- 07 County Education Office
60 Academy of Sciences
28 Art Commission
46 War Memorial
61 Fine Arts Museums
62 Asian Art Museum
41 Public Library
42 Recreation and Park

DOCUMENTS DEPT

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SAN FRANCISCO
PUBLIC LIBRARY

PUBLIC WORKS, TRANSPORTATION AND COMMERCE

- 90 Public Works
19 Building Inspection Commission
27 Airport
39 Port
36 Parking and Traffic
75 Electricity and Telecommunications
40 Public Utilities Commission (PUC)
49 PUC Light, Heat and Power
32 Hetch Hetchy Project
47 Water
35 Department of Transportation (Municipal Railway)
San Francisco Redevelopment Agency

DEPARTMENTAL BUDGET HEARINGS MINUTES
PAGE TWO
JUNE 21, 1995

SPEAKERS: ELECTED OFFICIALS: Honorable Stuart Pollak, Presiding Judge, Superior Court; Honorable Jerome Benson, Presiding Judge, Municipal Court. DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Alan Carlson, Administrator for the Courts; Debra Newman, representing the Budget Analyst; Ms. Bernstein, Civil Grand Jury; Robert Golton, Ph.d., representing Bill Rojas, Unified School District; Robert Jenkins, Director, Steinhart Aquarium; Rich Newirth, Assistant Director, Art Commission; Beth Murraray, Acting Managing Director, War Memorial; Harry Parker, Director, Fine Arts Museum; Emily Santo, Acting Director, Asian Art Museum; Ken Downlin, City Librarian, SF Public Library; Mary Burns, General Manager, Recreation and Park Department; David Anderson, Director, Zoo; John Cribbs, Director, Department of Public Works; Teresa Serata, Budget Director, Office of the Mayor; Shawn McNelton, Deputy Director, Building Inspection Commission; John Martin, Deputy Director, Airport; Ben Kutnick; Director of Administration; Port of San Francisco; John Newlin, Director, Department of Parking and Traffic; Dan McFarland, General Manager, Department of Electricity and Telecommunications; Andy Moran, General Manager, Public Utilities Commission; Larry Kline, General Manager, Hetch Hetchy Water and Power; John Mullane, General Manager, Water Department; Phil Adams, General Manager, Municipal Railway. IN SUPPORT: LaWanda Preston, Local 790. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO JUNE 28, 1995.

VOTE: 3-0.

2. File 161-95-5. [Redevelopment Agency Interim Budget] Resolution approving an interim budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1995-96. (Redevelopment Agency)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Kate Stevenson, representing the Budget Analyst; Teresa Serata, Budget Director, Office of the Mayor. NO POSITION TAKEN: John Elberly. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

DEPARTMENTAL BUDGET HEARINGS MINUTES

PAGE THREE

JUNE 21, 1995

3. File 161-95-6. [Redevelopment Agency Budget and Bonds] Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1995-96; and approving the issuance by the Agency of Bonds in an aggregate principal amount not to exceed \$16,000,000 for the purpose of financing redevelopment activities in fiscal year 1995-1996. (Redevelopment Agency)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Kate Stevenson, representing the Budget Analyst; Teresa Serata, Budget Director, Office of the Mayor. NO POSITION TAKEN: John Elberly. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING AMENDED TITLE PRESENTED IN COMMITTEE BY CLIFFORD GRAVES, EXECUTIVE DIRECTOR, REDEVELOPMENT AGENCY. ADOPTED. AMENDMENT OF THE WHOLE CONTINUED TO JUNE 28, 1995, MEETING. AMENDED TITLE: "Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1995-96; and approving the issuance by the Agency of Bonds in an aggregate principal amount not to exceed \$16,500,000 for the purpose of financing redevelopment activities in fiscal year 1995-1996."

VOTE: 3-0.

TIME MEETING ADJOURNED: 6:08 P.M.

MINUTES

DEPARTMENTAL BUDGET REVIEW
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, JUNE 22, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

TIME MEETING CONVENED: 1:32 P.M.

1. File 100-95-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

GENERAL ADMINISTRATION AND FINANCE

02 Assessor

HUMAN WELFARE

26 Commission on Aging
34 Human Rights Commission
48 Commission on the Status of Women
45 Social Services

COMMUNITY HEALTH - DEPARTMENT OF PUBLIC HEALTH

83 Community Health Services
85 Laguna Honda Hospital
86 San Francisco General Hospital
87 Community Mental Health

97 GENERAL CITY RESPONSIBILITIES

99 CAPITAL PROJECTS

SPEAKERS: ELECTED OFFICIAL: Honorable Doris Ward, Assessor.
DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; David Ishida, Executive Director, Commission on the Aging; Edwin Lee, Director, Human Rights Commission; Sonia Melara, Executive Director, Commission on the Status of Women; Brian Cahill, General Manager, Department of Social Services; Judith Blyth, Director of Budget, Department of Social Services; Dr. Sandra Hernandez, Director of Health, Department of Public Health; LaWanda Preston, Local 790; Ed Harrington, Controller; Bill Lee, Chief Administrative Officer; Steve Nelson, representing Chief Administrative Officer.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO PUBLIC HEARING, SATURDAY, JUNE 24, 1995.

VOTE: 3-0.

TIME MEETING ADJOURNED: 4:24 P.M.

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6/24/95

MINUTES

BUDGET COMMITTEE PUBLIC HEARING - PUBLIC TESTIMONY
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

SATURDAY, JUNE 24, 1995 - 9:00 A.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: Supervisors Tom Hsieh, Barbara Kaufman, Sue Bierman

CLERK: Gregiore Hobson

TIME MEETING CONVENEED: 9:05 A.M.

1. File 100-95-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

GENERAL ADMINISTRATION AND FINANCE

- 70 Chief Administrative Officer
- 93 Convention Facilities Management
- 25 Mayor
- 23 Children's Fund
- 01 Board of Supervisors
- 18 Ethics Commission
- 03 City Attorney
- 08 Treasurer - Tax Collector
- 09 Controller
- 91 Purchaser
- 02 Assessor
- 78 Recorder
- 80 Registrar
- 29 City Planning
- 37 Permit Appeals
- 65 Rent Arbitration Board
- 71 Real Estate
- 30 Civil Service
- 33 Human Resources
- 44 Retirement System

DOCUMENTS DEPT.

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SAN FRANCISCO
PUBLIC LIBRARY

PUBLIC PROTECTION

- 11 Trial Courts
- 12 Juvenile Probation
- 63 Law Library
- 72 County Agriculture - Weights & Measures
- 74 Medical Examiner/Coroner
- 76 Animal Care and Control
- 79 Public Administrator/Guardian
- 44 District Attorney
- 05 Public Defender
- 06 Sheriff
- 13 Adult Probation
- 31 Fire
- 38 Police

CULTURE AND RECREATION

- 07 County Education Office
- 60 Academy of Sciences
- 28 Art Commission
- 46 War Memorial
- 61 Fine Arts Museums
- 62 Asian Art Museum
- 41 Public Library
- 42 Recreation and Park

PUBLIC WORKS, TRANSPORTATION AND COMMERCE

- 90 Public Works
- 19 Building Inspection Commission
- 27 Airport
- 39 Port
- 36 Parking and Traffic
- 75 Electricity
- 40 Public Utilities Commission (PUC)
- 49 PUC Light, Heat and Power
- 32 Hetch Hetchy Project
- 47 Water
- 35 Department of Transportation (Municipal Railway)
San Francisco Redevelopment Agency

HUMAN WELFARE

- 26 Commission on Aging
- 34 Human Rights Commission
- 48 Commission on the Status of Women
- 45 Social Services

COMMUNITY HEALTH - DEPARTMENT OF PUBLIC HEALTH

- 83 Community Health Services
- 85 Laguna Honda Hospital
- 86 San Francisco General Hospital
- 87 Community Mental Health

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Ed Harrington, Controller.
GROUP A - Marvis Phillips; Esponala Jackson; Carnella Gordon-Brown. GROUP B
- Zane Blaney; Jean Dixon; Marvis Phillips; Bob Summers; Jim Mitchell; Elsie
Banderis; Steve Valdespino; Joel Sachs; Catherine Glaze; Lin Joe; Charlotte Price;
Claire Issacs; Nan McGuire; Cande Beniter; Ric Olivas; Mario Mejia; Willa Sims;
Jeannie Hopper and daughter; Jack Wolfe; Ed Barney; Gloria Brown; Sam Murray;
Carnella Gordon-Brown; Josefa perez; Jesse Montalvo. GROUP C - Marvis
Phillips; David Newcomer; Vera Haile; Sandy Porter; Claire Issacs; Eve Milton;
September Jarrett.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO TUESDAY, JUNE
27, 1995.

VOTE: 3-0.

TIME MEETING ADJOURNED: 10:55 A.M.

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MINUTES

DEPARTMENTAL BUDGET REVIEW
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 27, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

TIME MEETING CONVENED: 1:35 P.M.

1. File 100-95-1. [Annual Budget] Consideration of the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

GENERAL ADMINISTRATION AND FINANCE

70 Chief Administrative Officer
93 Convention Facilities Management
25 Mayor
23 Children's Fund
01 Board of Supervisors
18 Ethics Commission
03 City Attorney
08 Treasurer - Tax Collector
09 Controller
91 Purchaser
78 Recorder
80 Registrar
29 City Planning
37 Permit Appeals
65 Rent Arbitration Board
71 Real Estate
30 Civil Service
33 Human Resources
44 Retirement System

DOCUMENTS DEPT

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

PUBLIC PROTECTION

12 Juvenile Probation
63 Law Library
72 County Agriculture - Weights & Measures
74 Medical Examiner/Coroner
76 Animal Care and Control
79 Public Administrator/Guardian
04 District Attorney
05 Public Defender
06 Sheriff
13 Adult Probation
31 Fire
38 Police

DEPARTMENTAL BUDGET REVIEW MINUTES
BUDGET COMMITTEE
JUNE 27, 1995
PAGE TWO

SPEAKERS: ELECTED OFFICIALS: Honorable Louise H. Renne, City Attorney; Honorable Mary Callahan, Treasurer; Honorable Arlo Smith, District Attorney; Honorable Jeff Brown, Public Defender; Honorable Michael Hennessey, Sheriff.
DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller, Teresa Serata, Budget Director, Office of the Mayor; John L. Taylor, Clerk of the Board, Board of Supervisors; Debra Newman, representing Budget Analyst; Jane Rubin, Director, Ethics Commission; Marvin Geistlinger, Director, Purchasing Department; Stan Jones, representing the Budget Analyst; Lucian Blazej, Director, City Planning Department; Wendell Pryor, Executive Director, Department of Human Resources; Joe Driscoll, Board of Directors, Retirement System Board; Ace Tago, Business Manager, Juvenile Court; Bill Courtwright; representing the Budget Analyst; Marcia Bell, Librarian, Law Library; Dr. Boyd Stephens, Medical Examiner/Coroner; Carl Friedman, Director, Animal Care and Control; Brigitte Bain, Office Manager, District Attorney's Office; Arlene Sauser, Chief Adult Probation Office; Chief Joseph Medina, Fire Department.

ACTION: HEARING HELD AND RECESSED TO WEDNESDAY, JUNE 28, 1995.
BUDGET RECOMMENDATIONS CONTINUED TO THURSDAY, JUNE 29, 1995.

VOTE: 3-0.

TIME MEETING ADJOURNED: 5:15 P.M.

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MINUTES

DEPARTMENTAL BUDGET REVIEW
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 28, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: Supervisors Tom Hsieh, Barbara Kaufman, Sue Bierman

CLERK: Gregiore Hobson

TIME MEETING CONVENED: 1:35 P.M.

1. File 100-95-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

PUBLIC PROTECTION

- 11 Trial Courts

CULTURE AND RECREATION

- 07 County Education Office
- 60 Academy of Sciences
- 28 Art Commission
- 46 War Memorial
- 61 Fine Arts Museums
- 62 Asian Art Museum
- 41 Public Library
- 42 Recreation and Park

DOCUMENTS DEPT

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

PUBLIC WORKS, TRANSPORTATION AND COMMERCE

- 90 Public Works
- 19 Building Inspection Commission
- 27 Airport
- 39 Port
- 36 Parking and Traffic
- 75 Electricity and Telecommunications
- 40 Public Utilities Commission (PUC)
- 49 PUC Light, Heat and Power
- 32 Hetch Hetchy Project
- 47 Water
- 35 Department of Transportation (Municipal Railway)
San Francisco Redevelopment Agency

DEPARTMENTAL BUDGET HEARINGS

PAGE TWO

JUNE 28, 1995

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Teresa Serata, Budget Director, Office of the Mayor; Alan Carlson, Administrator for the Courts; Kate Harrison, Budget Director for the Courts; Debra Newman, representing the Budget Analyst; Ed Harrington, Controller; Rich Newith, Assistant Director, Art Commission; Gregory Ridenour, Assistant Managing Director, War Memorial; Mary Burns, General Manager, Recreation and Park Department; Phil Arnold, Assistant General Manager, Recreation and Park Department; John Cribbs, Director, Department of Public Works; Frank Chiu, Director, Building Inspection Commission; John Martin, Deputy Director, Airport; Ben Kutnick, Director of Administration; Port of San Francisco; Kaherine Haile, Budget and Finance Director, Department of Parking and Traffic; Dan McFarland, General Manager, Department of Electricity and Telecommunications; Larry Kline, General Manager, Hetch Hetchy Water and Power; Jerry Windley, Legislative Aide to Supervisor Alioto; John Mullane, General Manager, Water Department; Phil Adams, General Manager, Municipal Railway.

ACTION: HEARING HELD. DEPARTMENTAL RECOMMENDATIONS RECESSED TO THURSDAY, JUNE 29, 1995.

VOTE: 3-0.

2. File 161-95-6. [Redevelopment Agency Budget and Bonds] Resolution approving the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1995-96; and approving the issuance by the Agency of Bonds in an aggregate principal amount not to exceed \$16,500,000 for the purpose of financing redevelopment activities in fiscal year 1995-1996. (Redevelopment Agency)

(Consideration Cont'd from 6/21/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Teresa Serata, Budget Director, Office of the Mayor; Clifford Graves, Executive Director, Redevelopment Agency; Robert Gamble, Redevelopment Agency. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. (TO BOARD MONDAY, JULY 17, 1995.)

VOTE: 3-0.

TIME MEETING ADJOURNED: 3:57 P.M.

111 MINUTES

DEPARTMENTAL BUDGET REVIEW
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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6/29/95
THURSDAY, JUNE 29, 1995 - 1:30 P.M.

ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: Supervisors Tom Hsieh, Barbara Kaufman, Sue Bierman

CLERK: Gregiore Hobson

TIME MEETING CONVENED: 1:40 P.M.

1. File 100-95-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1995-96. (Mayor)

GENERAL ADMINISTRATION AND FINANCE

02 Assessor

HUMAN WELFARE

26 Commission on Aging
34 Human Rights Commission
48 Commission on the Status of Women
45 Social Services

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
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COMMUNITY HEALTH - DEPARTMENT OF PUBLIC HEALTH

83 Community Health Services
85 Laguna Honda Hospital
86 San Francisco General Hospital
87 Community Mental Health

97 GENERAL CITY RESPONSIBILITIES

99 CAPITAL PROJECTS

SPEAKERS: ELECTED OFFICIAL: Honorable Doris Ward, Assessor.

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; David Ishida, Executive Director, Commission on the Aging; Brian Cahill, General Manager, Department of Social Services; Teresa Serata, Budget Director, Office of the Mayor; Monique Zmuda, representing Dr. Hernandez, Department of Public Health; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney; Anne Kronenberg, Department of Public Health. PUBLIC TESTIMONY: Dr. Charles Range, South of Market Health Center.

ACTION: DEPARTMENTAL REVIEW HEARINGS HELD. BUDGET FOR FISCAL YEAR 1995-96 AS PRESENTED BY THE MAYOR AMENDED BY THE BUDGET COMMITTEE. RECOMMENDED AS AMENDED. (TO BOARD MEETING, MONDAY, JULY 10, 1995.) (SEE FILE FOR DETAILS.)

VOTE: 3-0.

2. File 101-95-2. [Annual Appropriation Ordinance, 1995-96] Annual appropriation ordinance, fiscal year 1995-96, an ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for the fiscal year ending June 30, 1996. (Mayor)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

ACTION: HEARING HELD. AMENDED TO REFLECT BUDGET SUBMITTED BY THE MAYOR AND AMENDED BY THE BUDGET COMMITTEE. FURTHER AMENDED. Amend Section 10.5-1 to add additional capital improvement projects for possible funding restoration. Add a Section 10.7 relating to the Memorandum of Understanding with Service Employees Union providing for reduction in scheduled retirement pickups or other fiscal effects. ADOPTED. RECOMMENDED AS AMENDED. (TO BOARD MONDAY, JULY 10, 1995.)

VOTE: 3-0.

3. File 102-95-2. [Annual Salary Ordinance, 1995-96] Ordinance enumerating positions in the annual budget and appropriation ordinance for the fiscal year ending June 30, 1996, continuing, creating or establishing these positions, enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the annual appropriation ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Department of Human Resources)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

ACTION: HEARING HELD. AMENDED TO REFLECT BUDGET SUBMITTED BY THE MAYOR AND AMENDED BY THE BUDGET COMMITTEE. RECOMMENDED AS AMENDED. (TO BOARD MONDAY, JULY 10, 1995.)

VOTE: 3-0.

TIME MEETING ADJOURNED: 3:43 P.M.

